Alberta Ministry of Health and Wellness

Annual Report 1999/2000

Section I

Alberta
HEALTH AND WELLNESS

For further information

For additional copies of this document or Section II, or further information about Alberta Health and Wellness, contact:

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You can find this document on Alberta Health and Wellness' Internet web site — http://www.health.gov.ab.ca

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Public Accounts 1999/2000

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Province of Alberta and the annual reports of each of the 18 ministries.

The annual report of the Province of Alberta contains the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including a message from the Provincial Treasurer. The province's audited consolidated financial statements include the accounts of government entities consisting of departments (all departments combined form the General Revenue Fund), the Alberta Heritage Savings Trust Fund and other regulated funds, provincial agencies and Crown-controlled corporations.

This annual report of the Ministry of Alberta Health and Wellness contains the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry's business plan, including a message from the Minister. The ministry's audited consolidated financial statements include the accounts of the Department of Health and Wellness and provincial agencies for which the Minister is responsible. The financial statements of each of these component entities of the ministry are also included in this annual report.

This annual report includes, either as a separate report or as part of financial statements, the reports or statements prepared pursuant to the *Financial Administration Act*, to the extent that the ministry has anything to report. A summary of expenditures under each appropriation in the ministry, as required by the *Government Accountability Act*, is included in the financial statements of the department.

Financial information relating to regional health authorities and provincial health boards is also included in this annual report as supplementary information. Section II of this report provides financial statements of the regional health authorities and provincial health boards, where available, which are accountable to the Minister of Health and Wellness.

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Section II

Section II of this report is published under separate cover. It provides the financial statements of the regional health authorities and provincial boards.

Contact list:
Financial Information for Regional Health Authorities and Provincial Health Boards

For further financial information regarding the regional health authorities or provincial health boards, please contact:

1.	**Chinook Regional Health Authority**	**(403) 382-6019**
2.	**Palliser Health Authority**	**(403) 529-8058**
3.	**Headwaters Health Authority**	**(403) 601-8330**
4.	**Calgary Regional Health Authority**	**(403) 541-3677**
5.	**Regional Health Authority 5**	**(403) 823-5245**
6.	**David Thompson Regional Health Authority**	**(403) 341-8622**
7.	**East Central Health Authority**	**(403) 608-8820**
8.	**WestView Regional Health Authority**	**(780) 968-3221**
9.	**Crossroads Regional Health Authority**	**(780) 352-3766**
10.	**Capital Health Authority**	**(780) 407-1010**
11.	**Aspen Regional Health Authority #11**	**(780) 349-8705**
12.	**Lakeland Regional Health Authority**	**(780) 656-2030** **1-800-815-8683**
13.	**Mistahia Regional Health Authority**	**1-800-732-8981**
14.	**Peace Regional Health Region**	**(780) 618-4500**
15.	**Keeweetinok Lakes Regional Health Authority #15**	**(780) 523-6641**
16.	**Northern Lights Regional Health Authority**	**(780) 791-6018**
17.	**Northwestern Regional Health Authority**	**(780) 926-4388**
18.	**Alberta Mental Health Board**	**(780) 422-2233**
19.	**Alberta Cancer Board**	**(780) 412-6328**

Minister's Accountability Statement

The Honourable Ken Kowalski
Office of the Speaker
Legislative Assembly of Alberta

Sir:

The Ministry's Annual Report for the year ended March 31, 2000, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 12, 2000 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Gary G. Mar

Gary G. Mar, Q.C.
Minister of Health and Wellness

Message from the Minister

At Alberta Health and Wellness, our mission is to improve the health of Albertans and the quality of the health system. Health is about more than treating illness. Adding Wellness to our name recognizes the importance of taking steps to prevent illness. We also welcome the Alberta Alcohol and Drug Abuse Commission and the Persons with Developmental Disabilities Boards to the ministry, under the leadership of the Honourable Gene Zwozdesky, in the newly-created position of Associate Minister.

In the year 1999/2000, we addressed three key challenges: ensure Albertans get the care they need, improve accountability and results, and prepare for the future.

First, to ensure Albertans get the care they need, we focussed on action, partnership and innovation. A mass campaign in Edmonton and area immunized 81 per cent of children aged two to 19 to control an outbreak of meningitis. Through **alberta we*ll*net**, a province-wide health information network, health professionals can now share best practices to help Albertans get the care they need. The new Health Innovation Fund helps health authorities and care providers explore new ways to improve service delivery and system management.

To improve results, we started by increasing total health care expenditures by 14.5 per cent, to $5.46 billion. This new funding enabled regional health authorities to hire over 1000 additional front-line staff, and helped rural areas develop additional supportive living spaces and continuing care services.

Our Six-Point Plan for Health, announced in January 2000, builds on consultations like the Health Summit '99 and the Health System Funding Review in 1998. The six points are: improve access, improve system management, enhance quality, promote wellness, foster innovation and protect the publicly funded health system.

I congratulate Alberta Health and Wellness staff and our many partners in health care for the many achievements in 1999/2000, and for their focus on continuing improvement. I look forward to reporting on new initiatives and achievements in the year ahead as we work together to implement the Six-Point Plan for Health.

Gary G. Mar

Gary G. Mar, Q.C.
Minister of Health and Wellness

Management's Responsibility for Reporting

The Ministry of Health and Wellness includes the Department of Health and Wellness, the Alberta Alcohol and Drug Abuse Commission, the Persons with Developmental Disabilities Boards, the Premier's Council on the Status of Persons with Disabilities, the Health Facilities Review Committee, and the Mental Health Patient Advocate Office.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, we ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Health and Wellness. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgements. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

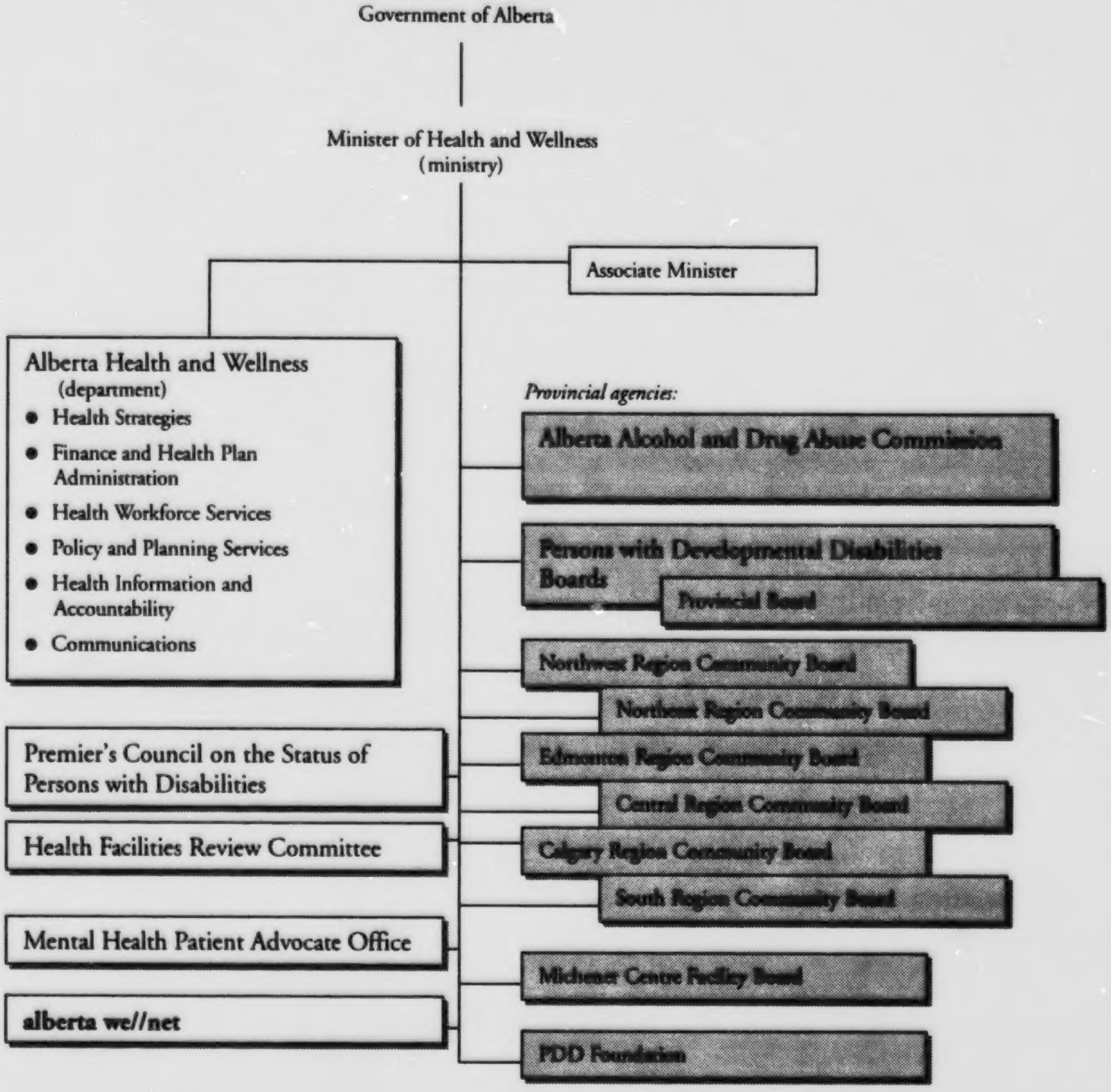
- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under ministry administration,
- provide Cabinet, Treasury Board, the Provincial Treasurer and the Minister any information needed to fulfil their responsibilities, and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

Shelley Ewart-Johnson
Deputy Minister
Ministry of Health and Wellness

Overview

Ministry of Health and Wellness Organization


Government of Alberta
Minister of Health and Wellness
(ministry)
Associate Minister
Alberta Health and Wellness
(department)
• Health Strategies
• Finance and Health Plan Administration
• Health Workforce Services
• Policy and Planning Services
• Health Information and Accountability
• Communications
Premier's Council on the Status of Persons with Disabilities
Health Facilities Review Committee
Mental Health Patient Advocate Office
alberta we//net
Provincial agencies:
Alberta Alcohol and Drug Abuse Commission
Persons with Developmental Disabilities Boards
Provincial Board
Northwest Region Community Board
Northeast Region Community Board
Edmonton Region Community Board
Central Region Community Board
Calgary Region Community Board
South Region Community Board
Michener Centre Facility Board
PDD Foundation

Ministry Contacts

Minister of Health and Wellness, Gary G. Mar	telephone: (780) 427-3665; fax: (780) 415-0961 Responsible for ensuring that health services in the province are properly conducted in the public interest. Ultimately responsible for the overall quality of health services in Alberta and responsible for reporting to the Legislature on the health of Albertans.
Associate Minister of Health and Wellness, Gene Zwozdesky	telephone: (780) 415-4840; fax: (780) 415-4856 Assists the Minister with the Alberta Alcohol and Drug Abuse Commission, the Persons with Developmental Disabilities Boards, the Premier's Council on the Status of Persons with Disabilities, and health promotion and injury/disease prevention.
Deputy Minister of Health and Wellness, Shelley Ewart-Johnson	telephone: (780) 422-0747; fax: (780) 427-1016 Assists the Minister in discharging the responsibilities conferred on him by the Legislature and supports the Minister in all of his duties. Responsible for administrative management of ministry.
Health Strategies Assistant Deputy Minister, Ken Wilson	telephone: (780) 427-7142; fax: (780) 422-3671 Provides leadership in health surveillance, disease control and prevention, and population health strategy development. Facilitates coordinated approaches to improving health and medical care, develops policies and strategies for publicly funded drug programs.
Finance and Health Plan Administration Assistant Deputy Minister, Rai Batra	telephone: (780) 427-0885; fax: (780) 422-3672 Manages the Alberta Health Care Insurance Plan, Alberta Aids to Daily Living program, licensing and inspections of ground ambulances, Provincial Air Ambulance program, and financial management of Alberta Health and Wellness resources.
Health Workforce Services Assistant Deputy Minister, Wendy Hassen	telephone: (780) 427-3274; fax: (780) 427-5597 Provides support to Alberta Health and Wellness in all areas of human resource planning and management, administrative services, workforce support to the health system and physician services.
Policy and Planning Services Assistant Deputy Minister, Frank Jasperse	telephone: (780) 427-5211; fax: (780) 422-3674 Develops health system policy, develops ministry business plan and requirements for health authority business plans, works with federal/provincial/territorial health departments, engages in strategic planning, develops ministry strategies to support health research, coordinates and manages corporate issues, and provides legislative planning services.
Health Information and Accountability Assistant Deputy Minister, Alex Stewart	telephone: (780) 427-5280; fax: (780) 422-5176 Leads and supports the health system to continuously evaluate and improve its performance and the health of Albertans by: developing expectations; measuring, monitoring, analyzing, and reporting on system performance; promoting knowledge-based decision making; and managing information and technology resources.

Communications Director, Carol Chawrun	telephone: (780) 427-7164; fax: (780) 427-1171 Provides support and advice to Alberta Health and Wellness and the Minister to improve communication with Albertans; coordinates ministerial correspondence, the production and distribution of publications, and the department Internet site.
Alberta Alcohol and Drug Abuse Commission Chair, LeRoy Johnson, MLA Westaskiwin – Camrose	telephone: (780) 427-2837; fax: (780) 423-1419 Provides or funds a range of alcohol, other drug and gambling problem treatment, prevention and information services for adults and youth. Services are provided through a network of offices and associated agencies across the province and include community outpatient counselling and prevention, crisis services, residential treatment, and research, information and monitoring services.
Persons with Developmental Disabilities (PDD) Provincial Board Chair, Alan Anderton	telephone: (780) 427-1177; fax: (780) 427-1220 Provides and/or funds a range of direct services and advocacy services to further the inclusion of adults with developmental disabilities in community life. Provides direction and coordination with community boards of Northeast Alberta, Northwest Alberta, Edmonton, Calgary, Central Alberta, South Alberta, the Michener Centre Facility Board and the PDD Foundation Board.
Premier's Council on the Status of Persons with Disabilities Chair, Rob Lougheed, MLA Clover Bar – Fort Saskatchewan	telephone: (780) 422-1095; fax: (780) 422-9691 Champions significant improvements in the status of Albertans with disabilities through input to policy development, advocacy programs to increase awareness and understanding, and evaluation to monitor performance and recommend improvements to the support system for Albertans with disabilities.
Health Facilities Review Committee Chair, Mary O'Neill, MLA St. Albert	telephone: (780) 427-4924; fax: (780) 427-0806 Monitors the quality of care, treatment and standards of accommodation provided to patients and residents in hospitals and continuing care centres. Receives and investigates complaints.
Mental Health Patient Advocate Office Advocate, Dr. Mervyn Hislop	telephone: (780) 422-1812; fax: (780) 422-0695 Assists patients in designated mental health facilities to understand and exercise their rights; investigates complaints relating to certified patients involuntarily detained under the *Mental Health Act*. Monitors statutory and regulatory changes relating to psychiatric services and recommends improvements regarding systemic problems, administrative policies and mental health legislation.
alberta we//net Chief Executive Officer, Dan Bader	telephone: (780) 427-5073; fax (780) 415-2289 Facilitates and manages information technology initiatives that support multiple stakeholders in the health system and that aim to improve the health of Albertans, quality of care and management of the health system.

Vision

The Alberta government's vision for the province is *"A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children."* This broader vision is reflected in Alberta Health and Wellness's vision for health: *"Healthy Albertans living in a healthy Alberta."* The vision encompasses three characteristics:

- Individual health and the health of all Albertans is actively promoted and protected.
- Albertans who are sick have access to quality health care services.
- Healthy social, economic and physical environments exist and contribute to improved health.

Within this context, Alberta Health and Wellness strives to achieve its mission and core businesses.

Mission and Core Businesses

The mission of Alberta Health and Wellness is to improve the health of Albertans and the quality of the health system.

The ministry works to achieve that mission through four core businesses:

1. Set direction, policies and provincial standards
2. Allocate resources
3. Ensure delivery of quality health services
4. Measure and report on performance across the health system

The department aims to be:

A visionary, collaborative and strategically focused department, respected for our knowledge, expertise and leadership through the health system in Alberta and beyond.

Individuals, teams and the organization as a whole strive to:

- demonstrate a commitment to Alberta Health and Wellness and its vision and values
- promote the work and vision of the department
- enjoy our work
- celebrate our successes

Highlights for 1999/2000

1999/2000 was a year of action and innovation for Alberta Health and Wellness — all aimed at optimizing the health of Albertans. Planning and decision-making were oriented to ensuring sustainability while holding fast to principles, to quality and to comprehensiveness of service. Through a full spectrum of actions and initiatives, Alberta Health and Wellness demonstrated the government's commitment to a publicly funded, publicly administered system for health. Consultation and participation with stakeholders were essential factors in decision-making. There was an increased emphasis on injury and disease prevention, health promotion and protection, as well as on ensuring access to services when needed. The achievements of the year provide a firm foundation for ensuring an improved health care system and improved health for Albertans in the future.

A firm base for the future

Three initiatives in particular represent the emphasis on preparing a firm base for the future.

- *Healthy Aging: New Directions for Care.* The final report of the Long Term Care Review provides a new vision of aging for the 21st century and guiding principles to help the health system respond to Alberta's aging population. *Healthy Aging: New Directions for Care* was released for public feedback in November 1999 after a lengthy and extensive consultation process. The report includes 50 recommendations. Long-term strategies include a new and different approach to continuing care in the future. Government immediately provided funds to address some of the short-term recommendations. Alberta Health and Wellness asked health authorities, other government departments, health stakeholders and Albertans for comments, priorities and suggestions on how to implement the recommendations.
- *Building Better Bridges.* An extensive consultation process during 1999 resulted in *Building Better Bridges: The Final Report on the Programs and Services in Support of Persons with Developmental Disabilities*, released in March 2000. The report's recommendations provided future directions for programs and services in support of persons with developmental disabilities. Recommendations covered areas such as mandate, policies, programs, governance and funding. The report also recommended the development of an action plan regarding the needs of people with acquired brain injuries. Feedback was requested through a consultation survey.
- *Health Information Act.* Legislation governing the collection, use and disclosure of health information — the *Health Information Act* — passed in December 1999 following extensive stakeholder involvement. The Act balances the need to protect the use of personal health information with the need for information within the health system to assist in decision-making and to provide comprehensive quality service.

New initiatives

In 1999/2000, significant actions and initiatives were taken to improve the health system and the health of Albertans.

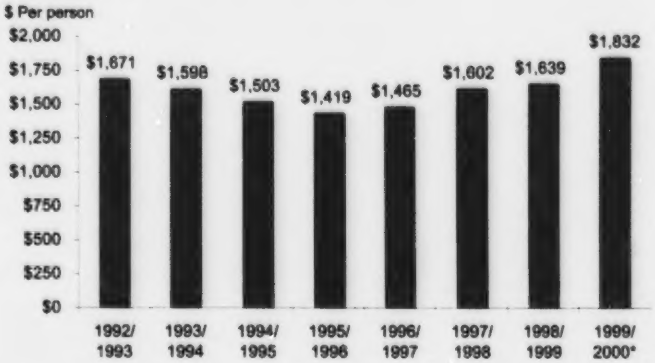
- The Health Innovation Fund was initiated to encourage health authorities and other providers to seek new and innovative ways to maintain and improve the health of Albertans. Thirty-two projects received approval and first-year funding of $7.2 million.
- The Newborn Metabolic Screening Program was enhanced with implementation of a new system to register newborns.
- Progress was made on an Alberta Breast Cancer Screening Program and Cervical Cancer Screening Program.
- Alberta Health and Wellness, including the Alberta Alcohol and Drug Abuse Commission, participated with other government departments in implementing the Alberta Children's Initiative. Activities included developing a Child Health Plan and participating in the Alberta Partnership for Fetal Alcohol Syndrome. Support was also given to enhance children's mental health services, with $5 million in new funding.
- An interim evaluation of the Aboriginal Health Strategy indicated it is being accepted as a valid and practical strategic initiative. Recommendations for improvement are being implemented.
- The HIV campaign addressing prevention for young adults, "*Hanging with Riff*," was rolled out provincially in Calgary, Edmonton, Red Deer and Lethbridge with positive results.
- Alberta Health and Wellness added kidney and pancreas transplants and pediatric major cardiovascular procedures to the list of services funded as province-wide services.
- Extensive consultation resulted in a new short-term home IV drug program, with implementation anticipated in the next fiscal period.
- A comprehensive report from the Physician Resource Planning Committee was released February 2000. It presents the current state of Alberta's physician supply and establishes a foundation for decision-making to meet immediate and future physician supply.
- The Persons with Developmental Disabilities Provincial Board piloted a new service provider certification process based on the *Creating Excellence Together Standards*.
- Alberta Health and Wellness contributed to government-wide planning for capital infrastructure. A detailed inventory of more than 75% of health infrastructure was developed, and a framework for public-private infrastructure partnerships was implemented.
- Among many public health initiatives, a five-year immunization plan for Alberta was drafted and a conference was held to initiate planning for a potential pandemic influenza. Alberta Health and Wellness also

coordinated a mass meningococcal immunization campaign with health authorities in Edmonton and area in February 2000. The campaign, involving more than 200,000 vaccinations, achieved an 81% rate of immunization among the target group and was the largest mass immunization program ever held in Alberta.

- Alberta Health and Wellness supported in principle all recommendations of Health Summit '99 in its *Response to the Final Report of Health Summit 99*. The recommendations served as the basis for the 2000 – 2003 business plan and budget.
- As part of his televised address to Albertans in January 2000, Premier Ralph Klein announced government's *Six-Point Plan for Health* to protect and improve the province's publicly funded health system. Guided by the recommendations of Health Summit '99, the six-point plan takes Albertans' directions for the health system of the future and puts them into action. The six directions of the plan demonstrate Alberta's commitment to Canada's publicly funded health care:
  - Improve access to quality publicly funded health services
  - Improve the management of the health system
  - Enhance the quality of health services
  - Increase emphasis on wellness promotion, and disease and injury prevention
  - Foster new ideas to improve health care
  - Protect the publicly funded and administered health system

Financial results and new funding priorities

Alberta Health and Wellness comparable expenditures (current $)



Alberta Health and Wellness comparable expenditures declined from 1992/1993 until 1995/1996, but increased every year since then. The per capita expenditures in 1999/2000 exceed the 1992/1993 level.

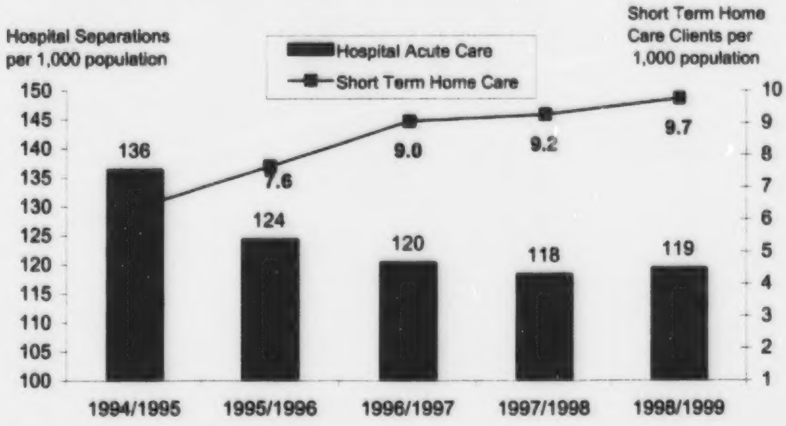
*Note: Per capita expenditures in Figure 1 have been revised from previous reports to include expenditures of new entities reporting to the Minister of Health and Wellness (PDD, AADAC, and Premier's Council).

Source: Alberta Health and Wellness Financial Statements and Quarterly Demographic. Statistics, Statistics Canada Catalogue #92-002

Government continued to target additional funding to ensure that health authorities have the resources required to meet the health needs of Albertans.

- Total expenditures increased by 14.5% to a total of $5.46 billion. Increases included a significant planned budget increase from 1998/1999 as well as additional funding provided during the year. New funds were provided for the Healthy Aging Partnership Initiative, purchase of advanced medical equipment and increased utilization of physician services, as well as one-time financial assistance to health authorities to retire deficits, purchase equipment and prepare for Year 2000 computer compliance issues.
- Some specific examples of new funding include:
  - Regional health authorities received new funding to hire at least 1,000 additional full-time permanent front-line staff. As of December 31, 1999, the target was exceeded.
  - Rural health authorities received $10 million under the Healthy Aging Partnership Initiative to stimulate development of supportive living spaces and continuing care services. An additional $15 million was provided to enhance home care for lodge residents.
  - Start-up funding of $400,000 for midwifery services was provided to the University of Alberta, primarily to cover clients' costs.
  - Additional funding of $14.2 million was provided to the Persons with Developmental Disabilities program.
- In response to new funding announced in April 1999, the ministry started a system of quarterly regional health authority reporting and monitoring of performance compared to expectations in key service areas.

Trends in utilization of acute care hospitals and short-term home care



Note: Home Care figures are for fiscal years.

Source: Alberta Health Hospital Morbidity, Home Care Information System Acute care separations numbers have changed from 1998/1999 annual report to include clients with unknown region. Short term home care numbers have changed from 1998/1999 annual report to include clients with a blank home care status.

A comparison between utilization of acute care hospitals and utilization of short-term home care services (which are mostly acute care) shows how the health system has changed, moving resources and services from facilities into the community.

Measures and results

Alberta Health and Wellness tracks information annually and reports on a series of performance measures. These measures provide essential information that can lead to improved services and improved health.

Most Albertans provide positive ratings of services available to them and the quality of services they receive, although these ratings vary by region.

Quality of health care services personally received, by health region	**2000 %**
1. Chinook	81.4
2. Palliser	85.8
3. Headwaters	89.1
4. Calgary	85.6
5. Health Authority 5	91.3
6. David Thompson	86.4
7. East Central	92.7
8. WestView	87.8
9. Crossroads	87.9
10. Capital	84.7
11. Aspen	89.7
12. Lakeland	85.0
13. Mistahia	84.8
14. Peace	90.1
15. Keeweetinok Lakes	74.6
16. Northern Lights	85.3
17. Northwestern	76.3
Target 2000	**90**

% of respondents who said that quality of health care personally received in the past 12 months was "excellent" or "good"

Source: Alberta Health and Wellness Survey, 2000

Highlights for 1999/2000 include:

- Albertans who have personally received health services continued to rate those services positively, with 86% rating quality of health care services received as good or excellent. Ratings of the effects of this care on their health improved slightly to 85%.
- The majority of Albertans (63%) rated the health system overall in 2000 as good or excellent, an increase from the previous year. People who said they are very satisfied or somewhat satisfied with the health system stayed relatively constant at 68%.

- Albertans' rating of ease of access to health services declined in 2000. Those who said it is easy or very easy to access the health services they need decreased to 64% compared to 73% in 1999. People who said they had difficulty accessing services mentioned long waits for service, particularly from general practitioners or medical specialists.
- Home care direct service hours to clients over 65 years of age requiring long term type of care have steadily increased from 1.8 million hours in 1994/1995 to 2.9 million hours in 1998/1999 (the last year for which data is available).
- 90% of Albertans aged 18 to 64 reported good, very good or excellent health, and 79% of seniors report that their health is good, very good or excellent. Differences across the province remain. People in northern communities did not rate their own health as highly as those in other areas.
- The percentage of babies born with low birth weight in 1999, particularly in some regions, continued to be higher than the provincial target.
- Alberta childhood immunization rates continued to be lower than the provincial target. No regional health authority achieved the immunization target.

Per cent immunized at age 2	**1996**	**1997**	**1998**	**Target 2002***
Diphtheria, tetanus, pertussis, polio, Hib (4 doses)	80	80	77	97
Measles, mumps, rubella (1 dose)	88	90	86	97

Source: Alberta Health and Wellness

* The target set by the Alberta Immunization Program is 98%.

Communication with Albertans

Throughout 1999/2000, Alberta Health and Wellness continued its efforts to consult with Albertans and keep people well informed. Significant steps included the following:

- Alberta Health and Wellness continued to provide more information about health and the health system, in keeping with recommendations from Health Summit '99. Some information initiatives included:
  - *Health Care '99*, providing a general overview of health care in Alberta; released July 1999.
  - *Alberta's Health System: Where We Are Now*, outlining achievements; sent to every household in November 1999.
  - *The Report on the Health of Albertans: Looking Through a Wider Lens*, reviewing health trends and factors that influence Albertans' health; released January 2000.

  - *Health is Everyone's Business*, outlining wellness initiatives; released January 2000.
  - *Update on Health in Alberta*, communicating information about new health policies and initiatives; six issues released.

- Communication and consultation with Albertans was extensive regarding the policy statement outlining government's proposed principles for Alberta's publicly funded and administered health system. *We Are Listening — Here's What We've Heard*, released in February 2000, summarized feedback from thousands of Albertans. In March 2000, all Alberta households received a copy of the *Health Care Protection Act*. Newspaper, radio and television ads also informed Albertans about this bill.
- The *Building Better Bridges* review of programs and services in support of persons with developmental disabilities involved significant consultation. More than 170 public presentations and 300 letters were received during the province-wide review. Feedback to the recommendations was requested through a consultation survey provided to stakeholders and available on the Alberta Health and Wellness web site.
- Consultations for the Long Term Care Review were summarized in two reports — *Summary of Consultations with Public* and *Summary of Consultations with Experts*. Upon the release of *Healthy Aging: New Directions for Care* (the final report of the Long Term Care Review), further input was sought on the report's 50 recommendations to government relating to seniors' health and continuing care services. The recommendations and subsequent feedback served as the basis for government's *Strategic Directions and Future Actions: Healthy Aging and Continuing Care in Alberta*, released May 2000.
- Information about the *Six-Point Plan for Health* was provided on an ongoing basis to Albertans through the news media, a booklet, speeches and letters.
- Vital information about a number of immunization programs was communicated during the year, including cost-free availability of the pneumococcal vaccine for seniors, promotion of childhood immunization during National Immunization Awareness Week, and the mass immunization campaign against meningococcal disease in Edmonton and area.

AUDITOR
GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Audit Procedures to Key Performance Measures

To the Members of the Legislative Assembly

I have performed the following procedures in connection with the Ministry of Health and Wellness' key performance measures included in the *Alberta Ministry of Health and Wellness Annual Report 1999/2000* as presented on pages 37, 40, 47, 49 – 51, 53, 58 – 63, 65 – 66, 76 and 79.

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.
2. The calculations which converted source information into reported key performance measures were tested.
3. The appropriateness of the description of each key performance measure's methodology was assessed.

As a result of applying the above procedures, I found the following exception:

The measure reported on page 61, Self-Reported Health Status, has been calculated based on a different methodology than the one described in the business plan and used to determine the target. Consequently, the performance cannot be compared with the target. Had the measure been calculated based on the methodology used to determine the target, the recorded amounts for the age 18 – 64 category would have been as follows:

Self-Reported Health Status (a key performance measure)	**1996 %**	**1997 %**	**1998 %**	**1999 %**	**2000 %**	**Target 2000**
Age 18 – 64 (% reporting ***very good*** or ***excellent*** health)	68	65	67	67	66	**70**

The above procedures do not constitute an audit of the key performance measures and therefore I express no opinion on the key performance measures included in the *Alberta Ministry of Health and Wellness Annual Report 1999/2000.*

Peter Valentine FCA
Auditor General

Edmonton, Alberta
August 23, 2000

Core Businesses

Alberta Health and Wellness continues to focus on four core businesses:

1. Set direction, policies and provincial standards
2. Allocate resources
3. Ensure delivery of quality health services
4. Measure and report on performance across the health system

Results achieved in each of these four core businesses are outlined in the following sections. Information is provided about the actions taken and results achieved for each of the goals set within the four core businesses. Results for all the performance measures included in the 1999/2000 business plan are provided and identified as **key performance measures.** Technical information about these measures is also provided in a later section of this report (see pages 71 – 73). Additional performance measures are also provided in the following sections.

Core Business 1: Set direction, policy and provincial standards

Albertans expect high standards for Alberta's health system. Through its overall leadership role, the Ministry of Health and Wellness is responsible for developing policy and standards that contribute to improvements in health and health services for Albertans. The ministry is also responsible for clarifying standards to ensure consistency across Alberta. Strategic direction is provided to health authorities by setting requirements for health authority business plans.

Goals and Achievements

Goal 1: Clear directions, policies and measurable expectations are in place.

Action: **Accepted in principle all recommendations of Health Summit '99.**

Achievement:
- *Response to the Final Report of Health Summit '99* was supportive of the recommendations and outlined actions already under way or planned. It also noted that the recommendations would serve as the basis for Alberta Health and Wellness' 2000 – 2003 business plan and budget.

Action: **Provided a new vision of aging for the 21st century and guiding principles to help the health system respond to Alberta's aging population.**

Achievements:
- *Healthy Aging: New Directions for Care*, the final report of the Long Term Care Review, was released for public feedback in November 1999. The report by the Long Term Care Policy Advisory Committee included 50 recommendations relating to seniors' health and continuing care services.

- As an interim response, government allocated funds for a palliative care drug program, new drugs to assist patients with Alzheimer's disease, enhancements to home care services, the Healthy Aging Partnership Initiative, as well as $265.8 million capital investment for additional and replacement long term care beds to reduce waiting lists.
- Alberta Health and Wellness also participated in the redevelopment of the Government of Alberta Strategic Business Plan for Seniors and the Government-Wide Study on the Impact of the Aging Population.

Action: **Developed rules to protect personal health information.**

Achievements:
- The *Health Information Act* (Bill 40) was tabled in November and passed in December 1999 following extensive stakeholder involvement. The Act balances the need for confidentiality with the need for information within the health system.
- In anticipation of the Act's proclamation, changes were made to the ministry's information systems as required.

Action: **Developed a strategic approach to setting expectations and performance measurement.**

Achievements:
- *Provincial Priorities for the Development of Health and Health System Expectations and Measures* was distributed to stakeholders across Alberta in July 1999.
- *Who is Accountable in Health?* was released to the general public in September 1999 to inform Albertans about roles and responsibilities of the major players in the health system and provide a list of contacts.

Action: **Implemented a joint strategy to improve timeliness of health authorities' business plans and annual reports.**

Achievements:
- Alberta Health and Wellness collaborated with health authorities to develop a more timely process for business plan review and approval, as represented in *Requirements for Health Authority Business Plans and Annual Reports 2000/2001 to 2002/2003.* This will lead to improved decision-making and planning. Best practices were shared among health authorities and additional initiatives are under way.

Action: **Contributed to suicide prevention.**

Achievement:
- Alberta Health and Wellness established a partnership with the Alberta Mental Health Board to develop a framework for provincial suicide prevention. A forum was held in October.

Action: **Recommended future directions for programs and services in support of persons with developmental disabilities.**

Achievements:
- *Building Better Bridges: The Final Report on the Programs and Services in Support of Persons with Developmental Disabilities*, was released in March 2000. More than 170 public presentations and 300 letters were received during the province-wide review. Recommendations covered such areas as

mandate, policies, programs, governance and funding. The report also recommended an action plan be developed regarding the needs of people with acquired brain injuries. Feedback to the recommendations was requested through a consultation survey.

- An operational grant was provided to the Brain Injury Association of Alberta to support its efforts to develop a provincial voice for survivors of brain injuries.
- Alberta Health and Wellness increased funding for the PDD program for 1999/2000 by $14.2 million and included a 9.9% increase in the 2000/2001 budget.

Action: **Participated in a number of public health initiatives.**

Achievements:

- Alberta Health and Wellness coordinated a mass immunization campaign with health authorities in Edmonton and area in February 2000. The campaign involved more than 200,000 vaccinations and achieved an 81% rate of immunization among the target group. It was the largest mass immunization program ever held in Alberta.
- Provincial standards for food safety were developed and sent out for initial stakeholder consultation.
- Revised Housing Regulations and Housing and Health Standards for rental accommodations were enacted August 1999.
- A five-year immunization plan for Alberta was drafted and is under review by regional health authorities.
- Efforts to control tuberculosis (TB) included consultation with regional health authorities and Alberta Justice to place all individuals at high risk of progressing to active disease on directly observed treatment. A province-wide TB Committee was also established to ensure a sound TB Program for Alberta.
- The first year of the Hepatitis B Grade 12 Immunization Program was implemented.
- A provincial pandemic influenza planning conference was held.
- Alberta Health and Wellness participated in interdepartmental initiatives regarding intensive livestock operations.

Goal 2: Provincial strategies are in place to protect health, prevent disease and injury, and promote the well-being of Albertans.

Action: **Participated with other government departments in implementation of the Alberta Children's Initiative.**

Achievements:

- The Alberta Health and Wellness Child Health Plan was developed to promote coordination and direction in the integrated delivery of health services to children.
- Participation in the Alberta Partnership for Fetal Alcohol Syndrome included collaboration with the Alberta Medical Association on a project to increase physician knowledge and expertise in diagnosing Fetal Alcohol Syndrome/Fetal Alcohol Effect.

- Information was gathered and strategies considered in support of the Task Force on Children at Risk.
- Alberta Health and Wellness also supported implementation of the Student Health Initiative which provides funding to enhance integrated health services for children with special needs in school. Funding was provided to 25 Student Health Partnerships.
- The first Provincial Children's Forum was held October 1999, with Alberta Health and Wellness involvement.
- Implementation of the Task Force on Children Involved with Prostitution, including distribution of a resource package for service providers, was supported.
- Alberta Health and Wellness also participated in the multi-stakeholder initiative led by the Alberta Mental Health Board to enhance children's mental health services. $5 million in new funding was provided to support this initiative following release of a report in August 1999.

Action: **Continued to implement the five-year Aboriginal Health Strategy, now in its fourth year. Alberta Health and Wellness, Aboriginal communities, provincially funded health providers such as regional health authorities, and other health stakeholders work in partnership on the strategy to improve the health status of Aboriginal people in Alberta.**

Achievements:

- The Aboriginal Health Strategy Project Fund started five new projects. Almost $3 million in project funding has been committed in the first four years of operation, with the majority of funds earmarked for multiple-year projects.
- The Aboriginal Health Careers Bursary Program awarded bursaries to 33 candidates, bringing the total to 118 bursaries awarded for adult and post-secondary education in health careers.
- Alberta Health and Wellness worked with the Gift Lake Metis Settlement and the Keeweetinok Lakes Regional Health Authority to explore ways to improve primary health care services to the community.
- Ongoing discussions continued with provincial/regional Aboriginal organizations such as the First Nations Resource Council, the Chiefs' Summit, the Alberta Treaty 8 Health Authority, the Metis Nation of Alberta Association and the Metis Settlements General Council to develop a more collaborative approach to address the health concerns of Aboriginal communities.
- An interim evaluation of the Aboriginal Health Strategy in spring 1999 indicated the strategy's presence is felt in Aboriginal communities and is being accepted as a valid and practical strategic initiative. In response to the report's recommendations, Alberta Health and Wellness committed to a number of changes in project application, approval and implementation processes.

Action: **Participated in a North Saskatchewan River Basin environmental health initiative.**

Achievements:
- Alberta Health and Wellness participated in a multi-stakeholder committee studying the link between livestock, water quality and human health in the North Saskatchewan River Basin. An interim report was completed in March 2000.

Action: **Participated in a number of health promotion, and disease and injury prevention projects.**

Achievements:
- The *You're Amazing* program evaluation report, released in November 1999, indicated a successful beginning in influencing healthy behaviours in young parents. By working through multi-sectoral partnerships, 41% of the target population was reached in two years. Recipients of materials were overwhelmingly positive about the program. The *You're Amazing* approach provides a strong basis for adaptation and further health promotion initiatives.
- Alberta Health and Wellness, through Action for Health, provided $4.5 million in grants to regional health authorities to promote health and prevent disease and injury. Health authorities implemented initiatives encouraging workplace wellness strategies, helmet-use and tobacco-use bylaws, and child passenger restraints. A four-year evaluation completed in March 2000 identified success in a number of areas, such as encouraging a philosophical shift in the way Albertans think about health and increasing awareness of factors that affect health.
- Alberta Health and Wellness worked with community AIDS organizations and Health Canada to develop the Alberta Community HIV Fund — integrating funds into one program to support community agencies' HIV programming in Alberta. Alberta Health and Wellness contributed $1.76 million.
- A draft strategy to prevent and manage HIV infection among Aboriginal people was developed as a federal/provincial initiative by Health Canada and Alberta Health and Wellness.
- Alberta Health and Wellness supported a social marketing project, owned and driven by the community, to address HIV prevention for young adults. After a successful pilot in Fort McMurray, the HIV prevention radio campaign, "*Hanging with Riff*," was rolled out provincially in Calgary, Edmonton, Red Deer and Lethbridge from October to December 1999. Evaluation was positive.
- Support was provided to the Alberta Occupant Restraint Program, an educational program on the correct use of automobile restraints.
- An evaluation of the Alberta Centre for Injury Control and Research, received June 1999, revealed the centre is effectively working toward achieving a number of its objectives. It recommended that funding continue and be enhanced to support injury control capacity in communities.

- Alberta Health and Wellness provided $1 million to the Alberta Tobacco Reduction Alliance, which initiated a public policy concept to support tobacco reduction (Let's Make Smoking History for all Albertans), the Truth About Tobacco media campaign, regional workshops and print resources.
- Following an international expert review, the Alberta Heart Health Project was awarded five-year joint funding (1999 – 2005) from Alberta Health and Wellness and the National Health Research and Development Program. It will explore how heart health promotion learnings are transferred, taken up and implemented by all 17 regional health authorities.

Measures and Results

Albertans expect high standards for Alberta's health system. Through its overall leadership role, Alberta Health and Wellness is responsible for developing policy and standards that contribute to improving health and health care for Albertans.

One general result of providing good leadership and direction to the health system should be public confidence that the health system is working well and that it provides needed health services to Albertans. Two questions from the annual Alberta Health and Wellness Survey are relevant:

- overall rating of the health care system in Alberta, and
- overall satisfaction with the health system in Alberta.

The results from the annual Alberta Health and Wellness Survey (*2000 Survey About Health and the Health System in Alberta)* for these two measures are shown below. The target for both measures is to achieve a positive rating from 75% of the respondents.

Measure	1995	1996	1997	1998	1999	2000	Target 2000
Overall rating of the health system (% responding ***good*** or ***excellent***)	65%	59%	60%	56%	57%	63%	**75%**
Satisfaction with the health system (% responding ***very satisfied*** or ***somewhat satisfied***)	67%	67%	67%	66%	67%	68%	**75%**

Source: Alberta Health and Wellness Survey, 1995, 1996, 1997, 1998, 1999, 2000.

Overall public ratings of the health system increased significantly in 2000, and individuals' ratings of satisfaction with the health system have remained generally steady at around 68% satisfied. However, the targets of 75% have not yet been met. Albertans who rate the health system fair or poor identified long waits or staff shortages as reasons for their ratings.

A key role of the Ministry of Health and Wellness is to determine the scope of financial, capital and human resources required to support the health system to address Albertans' health needs on an ongoing and sustainable basis. The Ministry of Health and Wellness also is responsible for setting priorities and allocating resources in a manner that is fair, equitable and reflects health needs in different parts of the province.

Goals and Achievements

Goal 1: The health system has a stable base of adequate, predictable needs-based funding that is allocated fairly and promotes efficiency and effectiveness.

Action: **Funded priority needs for advanced medical equipment technology to improve access.**

Achievements:
- An additional $7.3 million in Lottery grants and additional $10 million budget was allocated to health authorities and provincial boards for advanced medical technology. Highest priority requests were approved for direct patient care areas such as diagnostic imaging, surgery, patient monitoring and treatment, and laboratory services.
- The development of a capital equipment database to forecast/project advanced technology equipment needs was initiated.

Action: **Enhanced the provision of province-wide services for highly specialized and complex services.**

Achievements:
- Kidney and pancreas transplants and pediatric major cardiovascular procedures were newly funded as province-wide services. Funding was also approved for Flolan, a drug used in treating primary pulmonary hypertension.
- A budget increase of 6.4% for 2000/2001 over 1999/2000 was planned to ensure key life-saving medical procedures, such as dialysis and heart surgeries, are available.

Action: **Continued to improve long-range financial planning to ensure health system sustainability.**

Achievement:
- Alberta Health and Wellness continued to refine and test the Health System Economic Model, a tool designed to project the longer term requirements for health services based on population needs, and their estimated expenditures.

Action: **Continued to improve the population-based funding framework for health authorities.**

Achievement:
- The funding model was enhanced to address issues of equity and improve data collection. Enhancements included improved reporting of ambulatory care and inclusion of specific facilities such as veterans hospitals.

Action: **Continued to meet the obligations of the Alberta Health and Wellness/ Alberta Medical Association Master Agreement, to promote effective care and provide predictable and equitable funding for physicians.**

Achievement:
- An adjustment was made to the Medical Services Budget to account for the increase in utilization of physician services and number of physicians practising in Alberta.
- A new forecasting model was developed to improve the predictability of physician funding.

Goal 2: The health system makes optimal use of the workforce.

Action: **Developed a model for annual provincial health workforce planning.**

Achievement:
- The Provincial Health Workforce Steering Committee published *Health Workforce Planning in Alberta: Optimizing Health Workforce Resources to Support Health System Performance* in September 1999.

Action: **Developed a consensus of stakeholders on the direction for physician resource requirements in Alberta.**

Achievement:
- The Physician Resource Planning Committee Report was released February 2000 in *Setting a Direction for Alberta's Physician Workforce*. It represents the first comprehensive picture of the current state of Alberta's physician supply and establishes a foundation for decision-making to meet immediate and future physician supply.
- Key stakeholders contributed significantly to the development of the report, which examines how the system should change and how different models of delivering health care may involve teams of health care practitioners.

Measures and Results

The measures and results presented in this section include an analysis and discussion of ministry financial results, including sources of funding, major expenses, and a comparison with the 1999/2000 budget. Summary information has been included to show spending in the major areas of the system.

Sources of funding

The ministry had five primary sources of funding during 1999/2000 as shown in the following table:

Source of Funding	1999/2000 Million $	1999/2000 %	1998/1999 Million $	1998/1999 %
Government of Alberta	3,959	72.2	3,552	74.1
Government of Canada	688	12.5	487	10.2
Premiums	676	12.3	663	13.8
Internal Government Transfers	109	2.0	44	0.9
Third Party Recoveries and Other	53	1.0	49	1.0
Total	**5,485**	**100.0**	**4,795**	**100.0**

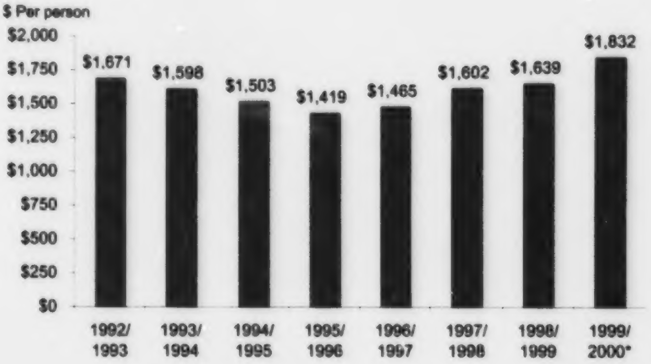
Source: Alberta Health and Wellness financial reports.

- The contribution from the Province's General Revenue Fund is the primary support for the ministry's operations. The contribution of $3.959 billion was an increase of 11.5% from the 1998/1999 amount of $3.552 billion.
- Transfers from the Government of Canada under the Canada Health and Social Transfer program increased by $201 million or 41.3% from 1998/1999. Of this increase, $192 million was for the health supplement.
- Premiums collected under the Alberta Health Care Insurance Plan and Alberta Blue Cross plan increased from $660 million to $673 million or 2.0%. The increase in population and the continued improvement in the Alberta economy resulted in a decrease in the number of registrants receiving premium assistance and a rise in premiums collected.
- Internal government transfers increased by $65 million or 148.3% from 1998/1999. This included $57.8 million from the Lottery Fund in support of various initiatives such as the Health Innovation Fund, **alberta we//net**, advanced medical equipment and AADAC.
- Recoveries under the Third Party Liability program increased by $4.8 million or 11.2% from 1998/1999.

Expenses

Total expenses. Average per capita expenditure on health is one indicator of the cost of maintaining and improving the health of Albertans. The recent trend in Alberta Health and Wellness expenditure per capita is shown in the figure below.

Figure 1: **Alberta Health and Wellness comparable expenditures (current $)**



Source: Alberta Health and Wellness Financial Statements and Quarterly Demographic Statistics, Statistics Canada Catalogue #92-002

*Note: Per capita expenditures in Figure 1 have been revised from previous reports to include expenditures of new entities reporting to the Minister of Health and Wellness (PDD, AADAC, and Premier's Council).

Increased expenditures in recent years have addressed specific areas of need within the health system such as: increases in front-line staffing; increasing the capacity for key, life-saving surgeries, including cardiovascular surgeries, as well as increasing hip and knee replacements; providing for more home and long-term care; and funding more health equipment and systems, including ensuring that equipment was Year 2000 compliant.

As reported by the Canadian Institute for Health Information (*Health Care in Canada, 2000*), Alberta's health expenditures per capita are among the top five in Canada.

The ministry had expenses of $5.455 billion as follows:

Expense Category	1999/2000 Million $	1999/2000 %	1998/1999 Million $	1998/1999 %
Health Authorities	3,055	56.0	2,587	54.3
Physician Services	995	18.2	922	19.4
Prescription Drug Program	261	4.8	216	4.5
Province-Wide Services	257	4.7	227	4.8
Ministry Support	94	1.7	91	1.9
Allied Health / Extended Health Benefits	75	1.4	72	1.5
Other Programs	395	7.3	356	7.5
Premier's Advisory Council on the Status of Persons with Disabilities	0.6	0.01	0.5	0.01
Services to Persons with Developmental Disabilities	287	5.3	259	5.4
AADAC	35	0.6	34	0.7
Total *	**5,455**	**100.0**	**4,764**	**100.0**

Source: Alberta Health and Wellness financial reports.

* Total does not include valuation adjustments of $30 million ($31 million in 1998/1999) in write-offs for unpaid health care premiums.

- Major expenses for the ministry are grants to the health authorities and funding of province-wide services, payments for services by health practitioners (physicians and allied health professionals), the drug benefit program, funding for the provision of services to persons with developmental disabilities, and funding for other programs such as the Alberta Aids to Daily Living program, provincial contribution to the national blood supply program, out-of-province health care costs and the payment of sterilization claims.
- The ministry provided an additional $468 million for health authorities compared to 1998/1999. Of this amount, $216 million was for one-time financial assistance to retire accumulated deficits, purchase equipment and for innovative projects to find more efficient and effective ways to deliver health services; $10 million was for the Healthy Aging Partnership Initiative; $17.3 million was for the acquisition of advanced medical equipment (of which $10 million was one-time funding); and $17 million was to address Year 2000 compliance issues.
- The continued increase in the utilization of physician services and an increase in the number of physicians have resulted in a 7.9% or $73 million increase over the 1998/1999 expense.
- Of the total operating expense, less than 2% (1999/2000: $94 million, 1998/1999: $91 million) was spent for administration of the ministry.

Regional health authorities. The ministry provided $2.8 billion in block funding to the 17 regional health authorities and two provincial health boards, an increase of 7.7% over the previous year. In turn, the health authorities are responsible for allocating resources among the services they deliver to Albertans. Health authorities also received $300 million to: address equipment needs, retire accumulated deficits, address Year 2000 compliance issues and support the Healthy Aging Partnership Initiative. The Calgary Regional Health Authority and Capital Health Authority also received $257 million to deliver province-wide services.

Health authorities have additional sources of revenue from investment income and various fees and charges for services. Total regional health authority expenses (excluding capital assets write-downs) were $3.49 billion in 1999/2000, up from $3.22 billion in 1998/1999, $2.96 billion in 1997/1998 and $2.74 billion in 1996 /1997. The following table shows how regional health authorities distributed their operating funds to various categories of expenses (expressed as a percentage of total expenses). Also shown is the per cent change in expense in each category from 1997/1998 to 1999/2000.

The per cent of expenditures on community and home-based services is a **key performance measure**. The target is to gradually increase expenditures in these service areas to enable more Albertans to obtain the care they need in their own communities wherever appropriate.

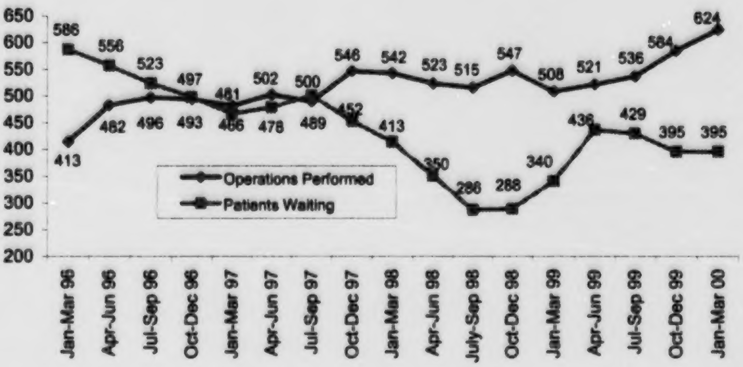
Regional Health Authority Expenses	1997/1998 %	1998/1999 %	1999/2000 %	% change in actual dollars expended 1998/1999 to 1999/2000
Hospital Inpatient	25.2	24.9	24.6	7.0
Emergency and Outpatient	7.6	8.0	8.0	8.6
Continuing Care Facilities	15.6	13.9	13.6	6.3
Community and Home Based (a **key performance measure**)	5.4	5.6	5.7	10.5
Diagnostic and Therapeutic	18.6	18.8	18.9	9.2
Promotion, Prevention, Protection	3.0	3.0	2.9	5.1
Research and Education	2.1	2.1	2.3	17.5
Administration	5.6	5.9	6.2	15.2
Support Services	14.3	15.5	15.6	8.3
Amortization	2.6	2.3	2.2	2.6
Total (%)	**100.0**	**100.0**	**100.0**	**8.4**
Total ($ million)	**2,964.1**	**3,222.2**	**3,492.3**	**270.4**

Source: Alberta Health and Wellness Annual Report; summary of Regional Health Authority Financial Statements
Note: Expenses of the Alberta Cancer Board and the Alberta Mental Health Board, and write-downs for capital assets, are not included in this table.

There has been a continued increase in expenditures on community and home-based care (a **key performance measure**). Expenses for information technology and **alberta we//net** account for the increase of total expenses on administration in 1999/2000. The costs associated with the Year 2000 problem account for the increase in per cent of total expenses on support services in 1998/1999 and 1999/2000.

Province-wide services: Cardiac surgery. The positive impact of funding for province-wide services is illustrated by the recent trends in cardiac surgery, as shown in *Figure 2.*

Figure 2: Alberta open heart surgical procedures (adults) operations performed and patients on waiting list



Source: Calgary and Capital RHAs

Note: Changes to CRHA's waiting list definitions in the 2nd quarter of 1998 may limit comparability of data before and after that time period.

The number of adult open heart surgeries performed each quarter since late 1997 has exceeded the number of persons waiting for this surgery at each quarter's end. In terms of minimizing waiting times for surgery, across all urgency categories, some jurisdictions (e.g., Ontario) have recommended a target waiting list level of one month's surgical volume capacity. Based on 1999/2000 volume of service, this target would equal a waiting list of approximately 200 persons in Alberta.

Rates for cardiac surgery and angioplasty in Alberta, and variation in rates over 5 areas* of Alberta (age-adjusted rates per 100,000 population age 20+)

Service Type	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999
Coronary Artery By-Pass Graft (per 100,000 population age 20+)	67	62	74	75	75
Angioplasty (per 100,000 population age 20+)	116	109	115	120	138

Source: Physician Claims Files

* The five areas of the province are: Calgary Region, Capital Health Region, South, Central and Northern areas.

Coronary artery by-pass graft and angioplasty surgeries are performed at hospitals in Edmonton and Calgary and are made available through province-wide funding for residents in all areas of the province. The provincial surgery rates are about 75 per 100,000 population (age 20+). In 1998/1999, surgery rates for Coronary Artery By-pass Graft (CABG) ranged from 67 to 82 per 100,000 for the five areas of Alberta. The relatively small differences in utilization for residents from different areas of the province indicate that this health surgery is provided equally to Albertans, regardless of where they live.

Angioplasty is a surgical procedure on coronary arteries that is frequently used instead of CABG. Rates for angioplasty (per 100,000 population age 20+) have been increasing in Alberta in recent years, to 138 per 100,000 in 1998/1999. There are some regional differences in utilization of angioplasty (rates vary from 117 to 167), with the highest rates of use for residents of Calgary.

Medical practitioners. Medical practitioners, including general practitioners and specialists, are mostly funded through the Alberta Health Care Insurance Plan (AHCIP). The ministry paid general practitioners and specialist physicians $995 million in 1999/2000, an increase of 7.9% from the previous year. This includes payments through Alternative Physician Payment Plans, the Rural Physician Action Plan and the Medical Education Program administered by regional health authorities.

The number of medical practitioners in Alberta per 1,000 population, including general practitioners, specialists and laboratory specialists, has not changed significantly since 1995, as shown in the following table.

In terms of absolute numbers of physicians, 4,641 medical practitioners provided services to Albertans through the Alberta Health Care Insurance Plan (AHCIP) in 1999/2000, up from 4,287 in 1995/1996. There has been an increase in the number of physicians providing services to Albertans through AHCIP since 1996/1997. Alberta has a lower number of physicians per 100,000 population than the Canadian average (Canadian Institute for Health Information, 2000).

	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000
Physicians per 1,000 Albertans	1.56	1.52	1.50	1.52	1.59
Number of Physicians	4,287	4,228	4,268	4,442	4,641

Source: Alberta Health Care Insurance Plan.
Population for 1995/1996 to 1998/1999 taken from Population Registry as of March 31 of each fiscal year.
Population for 1999/2000 from June 30, 1999 DSE file.

An important objective in allocating health system resources is to ensure an adequate number and distribution of physicians to serve the health needs of Albertans. An appropriate distribution of general practitioners through the 17 health regions can help to ensure that health services and advice are reasonably available to all. One indicator of access to health care provided by general practitioners is the extent to which Albertans obtain these services in their home region (a **key performance measure**).

General Practitioner Services Obtained Within Home Region (a key performance measure) (% of all services)	**1994/1995**	**1995/1996**	**1996/1997**	**1997/1998**	**1998/1999**	**1999/2000**	**Target 2000**
Capital and Calgary Regions	95%	96%	96%	96%	96%	96%	**>95%**
All Other Regions	84%	84%	84%	83%	84%	84%	**>85%**

Source: Alberta Health and Wellness; AHCIP claims files.

As indicated under "Goals and Achievements," considerable effort was made through such programs as the Rural Physician Action Plan to attract and retain physicians in rural areas. Initiatives such as these are intended to improve this result to the 85% average target for non-urban regions.

On average, each Albertan received about five services from a general practitioner during 1999/2000. Overall, over 90% of these services were provided in the individual's home region. In some regions, particularly those adjacent to Calgary and Edmonton, residents obtain 25% or more of their general practitioner services in the cities rather than in their home regions. This may be more attributable to travel and commuting patterns, as well as individual preferences, than to the lack of physicians in these regions.

Comparison to 1999/2000 budget

Financial Results (million $)	**1999/2000 Budget**	**1999/2000 Actual**	**1998/1999 Actual**
Revenues			
Internal Government Transfers	109	109	44
Transfer from Government of Canada	734	688	487
Fees	661	676	663
Other Revenue	49	53	49
	1,553	1,526	1,243
Expenses			
Ministry Support Services	89	87	83
Health Services	4,737	4,976	4,346
Premier's Council on the Status of Persons with Disabilities	1	1	1
Persons with Developmental Disabilities	267	356	300
Alberta Alcohol and Drug Abuse Commission	33	35	34
	5,127	5,455	4,764
Valuation Adjustments			
Provision for Doubtful Accounts	23	30	28
Provision for Vacation Pay	–	(1)	3
	23	29	31
Loss on Disposal and Write Down of Capital Assets	1	1	–
Total Expenses	5,151	5,485	4,795
Net Operating Results	(3,598)	(3,959)	(3,552)

The ministry exceeded its $5.2 billion original base budget by $334 million. The increased expenditure was primarily the result of funding provided during the year for the following:

- $216 million to the health authorities for one-time financial assistance to retire accumulated deficits, purchase equipment and for innovative projects to find more efficient ways to deliver health services.
- $10 million for the Healthy Aging Partnership Initiative.
- $10 million for the acquisition of advanced medical equipment.

- $70 million for the settlement of sterilization claims.
- $10 million to address volume increases for services to persons with developmental disabilities.
- $10 million for an unanticipated increase in the number of physicians and the services they deliver.
- $6 million for increased utilization and cost of fractionated blood products.
- $7 million for increase in the provision established for doubtful accounts.

The ministry received additional funding through supplementary estimates, and did not expend funds in other areas.

Core Business 3: Ensure delivery of quality health services

The responsibility for service delivery rests primarily with health authorities and individual practitioners. The ministry addresses issues raised by the public, stakeholder organizations and issues identified through systematic monitoring. Continuous improvement and innovation are promoted to ensure the delivery of health services that meet high standards, achieve positive health outcomes, and address the needs of Albertans. The ministry also works with health authorities to ensure appropriate investment and management of provincial resources through review and approval of business plans and capital plans. The ministry administers registration of Albertans for health care insurance and the payment system for fee-for-service practitioners, Aids to Daily Living suppliers, ambulance operators and other services.

Goals and Achievements

Goal 1: Health services are accessible, appropriate and well managed to achieve the best value.

Action: **Increased staff levels to enhance access to front-line services.**

Achievement: • Regional health authorities received funding to hire at least 1,000 additional full-time permanent front-line staff. As of December 31, 1999, the target was exceeded; 12 of 17 health authorities met or exceeded their hiring targets. More than 52% of the new positions were registered nurses, psychiatric nurses and licensed practical nurses.

Action: **Developed new short-term home IV drug program.**

Achievement: • Extensive consultation with regional health authorities and the Alberta Pharmaceutical Association resulted in a program to be implemented in the next fiscal period.

Action: **Progressed in strategies to address priority health issues such as breast and cervical cancer, metabolic screening, organ donations, eating disorders and drug use.**

Achievements:

- The Alberta Program for Anorexia Nervosa and Bulimia Nervosa, led by the Alberta Mental Health Board, became a provincial program with $4 million funding.
- A proposed Alberta Breast Cancer Screening Program was approved in July 1999 and further development continued through the year, supported by **alberta we//net.** A three-year project for comprehensive breast health services, sponsored by Chinook regional health authority, was also approved under the Health Innovation Fund.
- The Cervical Cancer Screening Network's proposal for a provincial program was accepted and implementation work will start in 2000/2001.
- Through the Newborn Metabolic Screening Program, a new system developed jointly with **alberta we//net** was implemented to register newborns and improve screening coverage. As of March 2000, 90% of health regions had the system installed and operational.
- Alberta Health and Wellness participated in developing strategies to enhance organ and tissue donation and transplantation provincially and nationally.
- Alberta Health and Wellness established a multi-disciplinary group, co-chaired by the Alberta Medical Association and Alberta Pharmaceutical Association, to work with stakeholders to influence prescribing and cost-effective use of drugs. This is part of the Alberta Drug Utilization Program, located at the University of Alberta and funded by Alberta Health and Wellness, to optimize drug therapy outcomes.
- Alberta's prescription drug program provided coverage for new high cost drugs for treatment of Alzheimer's disease, arthritis and hepatitis C.
- In May 1999 the Advisory Committee on Blood, Blood Products and their Alternatives in Alberta submitted 46 recommendations to enhance the safety and effectiveness of the blood system in Alberta. Analysis of the recommendations is under way.
- Alberta Health and Wellness provided data to the Alberta Strategy to Help Manage Asthma.

Action: **Enhanced services for Alberta Aids to Daily Living (AADL) recipients.**

Achievements:

- A successful pilot project led the AADL program to expand assistance for hearing aids to clients aged 18 to 64 years with income restrictions, educational or vocational needs.
- Three-year funding was established to provide specialty footwear for diabetics with high-risk foot disorders.

Action: **Contributed to government-wide planning for capital infrastructure.**

Achievements:

- Alberta Health and Wellness developed a detailed inventory of more than 75% of health infrastructure, based on common performance measures, as part of the government-wide Capital Planning Initiative.
- Agreement was reached between Alberta Health and Wellness and regional health authorities on funds that health authorities must set aside annually for renewal of capital equipment.
- A framework for assessing and funding public-private infrastructure partnerships was developed and implemented.
- Alberta Health and Wellness allocated $115 million to six regional health authorities to develop needed long term care beds in partnership with private and voluntary sector organizations. Twelve partnerships will provide 1,090 new continuing care beds and save $52.9 million or approximately 32.1% of the funding government would otherwise need to provide.

Action: **Enhanced services for the elderly in rural Alberta and within lodges.**

Achievements:

- $10 million was provided to 15 rural health authorities under the Healthy Aging Partnership Initiative to stimulate development of supportive living spaces and continuing care services.
- $15 million additional funding was provided in November 1999 to enhance home care for Albertans receiving services in the community, including lodge residents.

Action: **Undertook a number of initiatives through the Rural Physician Action Plan (RPAP) to attract and retain physicians in rural practice.**

Achievements:

- The focus on rural physician retention during 1999/2000 involved pilot projects such as: a discretionary grant program to foster development of innovative program ideas, a recruitment expenses reimbursement program for rural regional health authorities, and a weekend workshop to help new specially licensed physicians prepare for their Canadian licensing examinations.
- RPAP approved a process to facilitate additional skills training for practising rural physicians.
- The Rural Locum Steering Committee introduced a pilot project to expand weekend locum coverage so physicians over 59 years of age may reduce weekend hospital coverage.
- Profiles of rural Alberta communities were added to the RPAP web site as a reference for physicians interested in practising in rural Alberta.

Action: **Defined an action plan to protect and improve the publicly funded and administered health system for the future.**

Achievement:

- Premier Ralph Klein announced in January 2000 the government's *Six-Point Plan for Health* to protect and improve the province's publicly funded health system. Guided by the recommendations of Health Summit '99, the six-point plan takes Albertans' directions for the health system of the future and puts them into action. The six directions of the plan demonstrate Alberta's commitment to Canada's publicly funded health care system:

  - Improve access to quality publicly funded health services
  - Improve the management of the health system
  - Enhance the quality of health services
  - Increase emphasis on wellness promotion, and disease and injury prevention
  - Foster new ideas to improve the health system
  - Protect the publicly funded and administered health system

- Key initiatives in the plan include increased health spending of $1 billion over the next three years; increased number of life-saving surgeries and procedures to shorten waiting times and reduce waiting lists; hiring of more nurses, physicians and other health professionals; and increased funding for home and community care.

Goal 2: Albertans are well-informed and able to make decisions about their health and health services.

Action: **Communicated extensively with Albertans about the government's proposal to protect the publicly funded health system and regulate surgical facilities.**

Achievements:

- Alberta Health and Wellness released a policy statement outlining government's proposed principles for Alberta's publicly funded and administered health system of the future in November 1999.
- *We Are Listening — Here's What We've Heard,* summarizing comments of thousands of Albertans to the policy statement, was released in February 2000.
- All Alberta households received a copy of the *Health Care Protection Act* in March 2000 in conjunction with newspaper, radio and television ads informing Albertans about the bill.

Action: **Provided more information about health and the health system, in keeping with recommendations from Health Summit '99.**

Achievements:

- *Alberta's Health System: Where We Are Now,* outlining achievements such as new programs for seniors and students, was sent to every home in the province in November 1999.
- *Health Care '99,* providing a general overview of health care in Alberta, was released in July 1999.
- *The Report on the Health of Albertans: Looking Through a Wider Lens* was released in January 2000, providing information on health trends and factors that influence Albertans' health.
- *Health is Everyone's Business* was released in January 2000 to outline wellness initiatives under way.

- Six issues of *Update on Health in Alberta* were released, communicating information about new health policies and initiatives.
- The *LINKS* newsletter, communicating with medical and clinical leaders in Alberta, was published four times.

Action: **Communicated vital information about immunization programs.**

Achievements:
- Alberta Health and Wellness informed Alberta seniors about cost-free availability of the pneumococcal vaccine in September 1999.
- Alberta Health and Wellness partnered with the Canadian Public Health Association to promote childhood immunization as the cornerstone of child health during National Immunization Awareness Week.
- With involved health regions, Alberta Health and Wellness communicated with the public and other stakeholders about the mass immunization campaign against meningococcal disease in Edmonton and area.

Goal 3: Ongoing innovation occurs in the health system.

Action: **Initiated the Health Innovation Fund to encourage health authorities and other providers to seek new and innovative ways of maintaining and improving the health of Albertans.**

Achievement:
- Alberta Health and Wellness approved funding in March 2000 for 32 projects, which received $7.2 million in first-year funding; over three years these projects will receive a total of $19.2 million.
- The Health Innovation Fund Advisory Committee, including nine prominent Albertans with a range of knowledge and experience, was established earlier in the year to guide implementation of the fund.

Action: **Increased funding to integrate midwifery services into the health system.**

Achievement:
- Alberta Health and Wellness provided a $400,000 in midwifery start-up funding to the University of Alberta. The majority of the funds go to cover clients' costs.
- Three-year projects in Chinook and Capital health regions were approved under the Health Innovation Fund to provide coordination for midwifery implementation across all 17 regional health authorities.

Action: **Implemented alternative payment plan pilot projects for physicians.**

Achievements:
- Four alternative payment plan pilot projects were implemented and are operating with approximately 42 physicians: Crowfoot Village Family Practice (Calgary), Bassano Community Health Centre, North East Community Health Centre's Emergency Department (Edmonton) and Colonel Belcher Veterans Care Centre (Calgary).
- A new brochure also introduced Alberta physicians to the concept of alternative payment plans.

Action: **Established the ministerial Imaging Advisory Committee**

Achievements:
- The Imaging Advisory Committee was established in October 1999, including representatives from Alberta Health and Wellness, Alberta Medical Association, Alberta Society of Radiologists and regional health authorities. The committee will provide advice on maintaining and improving diagnostic imaging services, and access to those services, throughout the province.

Action: **Supported innovative primary care projects.**

Achievement:
- With funding from the federal Health Transition Fund, 26 primary care projects are under way in the majority of regional health authorities under the umbrella Alberta Primary Health Care Project. Interim evaluation was completed in summer 1999.

Measures and Results

Access. Albertans expect reasonable access to health services. They expect to be able to obtain the health services they need, when they need them. The **key performance measures** of access include public ratings of ease of access, and reported failure to receive needed care. Access to services is also reflected, to some extent, by how often Albertans go outside their own regional boundaries to obtain the services of physicians (a **key performance measure** included in Core Business 2 earlier in this report).

The following results show that overall ratings of access to health services dropped in 2000, from 73% in 1999 to 64% in 2000. In addition, ratings of access varied by health region.

Measure (a **key performance measure**)	**1996** %	**1997** %	**1998** %	**1999** %	**2000** %	**Target 2000**
Ease of access to health services (% responding ***easy*** or ***very easy***)	76%	74%	73%	73%	64%	**75%**

Source: Alberta Health and Wellness Survey, 1996, 1997, 1998, 1999, 2000.

Accessibility of health care services by health region	**2000 %**
1. Chinook	68.1
2. Palliser	64.2
3. Headwaters	73.2
4. Calgary	63.6
5. Health Authority 5	72.1
6. David Thompson	62.8
7. East Central	62.4
8. WestView	63.8
9. Crossroads	61.9
10. Capital	67.0
11. Aspen	64.7
12. Lakeland	60.3
13. Mistahia	51.8
14. Peace	57.6
15. Keeweetinok Lakes	64.0
16. Northern Lights	47.5
17. Northwestern	52.5
Target 2000	**75**

% of respondents who said that the accessibility of health care services was "very easy" or "easy"
Source: Alberta Health and Wellness Survey, 2000

Respondents who reported difficulty in accessing services most frequently reported access concerns with the following services: general practitioner and medical specialist, followed by emergency care and diagnostic services. Reasons given for difficulty in accessing services included: long waits, not enough health professionals, hard to get quality care and advice, and long distance to travel. To address the concerns expressed by Albertans, the *Six-Point Plan for Health* is directed at improving access to quality health services and improving the management of the health system.

While overall ratings of ease of access to health services were less positive in 2000, more specific results from the Alberta Health Survey suggested no change in access. For example, there was almost no change in the per cent who reported that someone in their household was waiting for a health service (19% compared to 18% in 1999), and most (79%) reported seeing their family doctor within one week of making an appointment, unchanged from 1999 results. Overall access concerns may have been heightened as a result of considerable media attention to access issues during the year.

Survey results also indicate that, while 10% of Albertans report failure to receive needed care, less than 2% of Albertans report that they never did receive the care they needed (these are **key performance measures**). These results continue to be above the targets.

Measure **(a key performance measure)**	**1996** **%**	**1997** **%**	**1998** **%**	**1999** **%**	**2000** **%**	**Target** **2000**
Failure to receive care when needed (% responding *yes*)	7	7	8	9	10	**7%**
Never received care	1.6	2.0	1.6	1.7	1.8	**1%**
Obtained service later	2.8	3.0	4.0	3.1	3.7	**No target set**
Obtained service elsewhere	1.7	1.5	1.4	2.8	2.9	**No target set**
Health improved without service	0.6	0.5	0.5	0.9	0.9	**No target set**
Obtained a different service/other	0.2	0.2	0.5	0.4	0.4	**No target set**

Source: Alberta Health and Wellness Survey, 1996, 1997, 1998, 1999, 2000.
Totals have been rounded to the nearest digit.

Of the 10% of Albertans reporting that they were unable to obtain the care they needed when they needed it, only 19% (19% in 1999) of these respondents reported that they never received the service (1.8% of the whole survey). Of the remainder, 72% stated that they did receive the service later, received it at a different location, or received an alternative service. A further 9% stated that their health improved without receiving any service.

Quality of care. Access to health services is important. But it is also important that the services are appropriate. Appropriate care means providing the right care in the right place at the right time in the right way. From the viewpoint of the client, indicators of appropriate care include the quality of services available, the quality of services received, and the health results. In addition to quality care, from the viewpoint of health system managers, appropriate care also makes the best use of resources and is guided by evidence of effective practice.

The Alberta Health and Wellness Survey asked Albertans to provide ratings of (1) the perceived quality of health services available in their community, (2) the quality of services personally received (a **key performance measure**), and (3) the effects of these services on their health (a **key performance measure**).

Measure	1996	1997	1998	1999	2000	Target 2000
Quality of Services in the Community (% responding ***good*** or ***excellent***)	79%	78%	78%	75%	68%	**No target set**
Quality of Care Personally Received (% responding ***good*** or ***excellent***) (a **key performance measure**)	86%	86%	86%	78%	86%	**90%**
Effect of Care on Health (% responding ***good*** or ***excellent***) (a **key performance measure**)	Not available	83%	84%	83%	85%	**85%***

Source: Alberta Health and Wellness Survey, 1996, 1997, 1998, 1999, 2000.
*Note: This target is identified in the 1999/2000 business plan with a target date 1999.

Most Albertans provide positive ratings of the quality of services available to them and the quality of services they receive, although these ratings vary by region. They also report that the effects of care are positive. The overall rating of quality of care personally received has returned to previous high levels in 2000 following a decrease in 1999, while the ratings of quality of services available in the community decreased in this same time period. It is possible that ratings of quality of services in the community were influenced by Albertans' views that the availability of community services dropped over the past year.

Quality of health care services personally received, by health region	**2000 %**
1. Chinook	81.4
2. Palliser	85.8
3. Headwaters	89.1
4. Calgary	85.6
5. Health Authority 5	91.3
6. David Thompson	86.4
7. East Central	92.7
8. WestView	87.8
9. Crossroads	87.9
10. Capital	84.7
11. Aspen	89.7
12. Lakeland	85.0
13. Mistahia	84.8
14. Peace	90.1
15. Keeweetinok Lakes	74.6
16. Northern Lights	85.3
17. Northwestern	76.3
Target 2000	**90**

% of respondents who said that quality of health care personally received in the past 12 months was "excellent" or "good"
Source: Alberta Health and Wellness Survey, 2000

When rating the quality of care personally received at hospitals (a **key performance measure**), 83% responded excellent or good, an increase over 1999. Eighty-four per cent (84%) said that the effects of care on their health were excellent or good, similar to 1999 levels. When rating a household member's quality of care received in hospital, 79% responded excellent or good, and 82% said the effect of care on health was excellent or good, similar to 1999 levels.

	Received by Respondent			**Received by Household Member**	
Care Received at Hospital	**1999 (n=1168)**	**2000 (n=1203)**	**Target (2000)**	**1999 (n=1399)**	**2000 (n=1473)**
Quality of care received (% responding ***excellent*** or ***good***)	74%	83%	**85%**	77%	79%
Effect of care on health (% responding ***excellent*** or ***good***)	83%	84%	**No target set**	80%	82%

Source: Alberta Health and Wellness Survey, 1999, 2000.

Respondents who rated their hospital experience fair or poor most often gave these reasons: long waits at the hospital before service was provided (45%), lack of attention to respondent's needs from staff (15%) and doctors (15%), or lack of courtesy and respect from staff (14%) and doctors (10%). (Respondents could provide more than one reason).

Respondents were asked questions about services received from physicians. Most (90%) rated the quality of care received from their physician as excellent or good, and 87% reported that the results of this care were either excellent or good.

Well managed care. A major strategy for health system restructuring and reform has been to provide as much health care as possible in the community rather than in hospitals, keeping hospital beds for those who need higher levels of care. A comparison between utilization of acute care hospitals and utilization of short-term home care services (which are mostly for acute care patients) shows how the health system has changed. The trend since 1994/1995 shows that some health system resources and services are moving from facilities into the community. For example, acute care hospital separations (formal releases or discharges) per 1,000 population have declined from 136 to 119 since 1994/1995 and the number of short-term home care clients per 1,000 population has increased from 6.3 to 9.7.

The average length of stay in hospital is 6.4 days, down from almost 9 days in 1991/1992. Unplanned re-admissions to hospitals within 28 days of discharge have decreased slightly over the past 5 years to a rate of 8.5%.

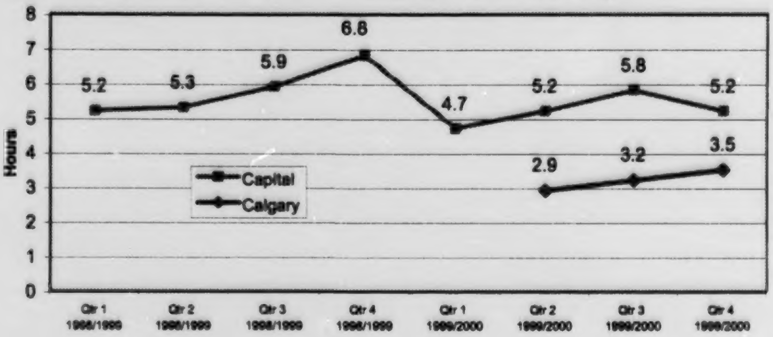
Measure	**1993/1994**	**1994/1995**	**1995/1996**	**1996/1997**	**1997/1998**	**1998/1999**
Average length of hospital stay (days)	6.6	6.1	5.6	5.7	5.9	6.4
Unplanned re-admission to hospital within 28 days of discharge (% of all trackable hospitalizations)	Not available	9.3	9.3	9.1	9.0	8.5
Alternative level of care days (% of all hospital inpatient days)	8.9	6.9	3.9	3.9	4.1	4.9

Source: Alberta Health and Wellness; Hospital Morbidity Files.
Note: Readmission may be to the same hospital or to another Alberta hospital, excluding transfers. The change in the readmission rates compared to those reported in the 1998/1999 annual report is due to a change in the calculation method. The denominator, all *trackable* hospitalizations, includes only inpatient separation records with valid AHCIP identifiers. Presently, readmissions of individuals without a valid AHCIP identifier, such as non-residents of Alberta, cannot be tracked through Alberta's inpatient hospital system, and therefore should not be included in the calculation of a provincial readmission rate.

Effective and efficient use of health system resources is also indicated by the ability of the health system to provide appropriate care for patients who no longer require care in an acute care hospital (as determined by the patient's physician). The measure is the percentage of beds occupied in hospital by people who could be cared for in alternative settings. A lower percentage represents better utilization of appropriate alternative care. The per cent of alternative level of care days decreased from 8.9% in 1993/1994 to a low of 3.9% in 1995/1996 and 1996/1997, and has increased in 1997/1998 and

1998/1999, probably due to recent pressures on available long term care spaces in Alberta. These pressures are being addressed through new capital construction projects and the Long Term Care Committee's recommendations.

Figure 3: Average number of hours patients waited in emergency after hospital admission, Capital and Calgary Health Regions



Source: Regional Health Authorities Ambulatory Care data.
Calgary Regional Health Authority did not begin collecting this data until Quarter 2 1999/2000.
Calgary Regional Health Authority data excludes the Children's Hospital.

During 1999/2000, the two large urban regions (Capital and Calgary) began reporting on this **key measure** to Alberta Health and Wellness *(see Figure 3)*. This quarterly regional reporting includes the average length of time patients designated as 'admitted as inpatient' waited in emergency before being transferred to their hospital inpatient bed.

This **key measure** pertains to all inpatients admitted through emergency. Waiting time begins when a decision to admit has been made and an inpatient bed requested, and ends when the patient leaves the emergency department to be admitted to a hospital bed. Preliminary data indicate that, on average, this waiting time is in the range of 3 to 6 hours, with the longer average times occurring during the winter months when the flu season tends to increase demand for inpatient beds.

Proper care and support in the community can reduce the need for acute care in-patient hospital services for certain chronic health conditions. Research suggests that appropriate community or out-patient care, including education relating to self-care, can substantially reduce (but not eliminate) acute care admissions for several health conditions including asthma, diabetes, hypertension, drug or alcohol dependency, neurosis and depression.

Number Hospitalized for Selected Health Conditions	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999
Alcohol/Drug	2620	2377	2434	2622	2689
Asthma	4655	4270	3720	3737	3481
Depression	991	893	972	929	951
Diabetes	2874	2686	2656	2798	2946
Hypertension	1661	1403	1307	1325	1295
Neurosis	1661	1473	1441	1387	1363

Source: Alberta Health and Wellness; Hospital Morbidity Files.

These results show that the number of persons admitted to hospital at least once for these conditions has declined since 1994/1995 for the treatment of asthma, hypertension and neurosis. However, this trend appears to have ended, and is showing a reversing trend in some cases (e.g. for diabetes and alcohol or drug conditions). The ability to treat these conditions in the community may require innovative programs to deliver primary care services. Further research is also needed to determine the most effective care for these conditions in community settings. Due to limitations in the current information systems, data on the type and quality of care provided in the community for individuals who would previously have been admitted to hospital for these conditions is not available. The ministry supports a number of projects through the Medical Services Budget Innovation Fund and the Health Innovation Fund, which cover a wide range of health services, including primary care, mental health and diabetes care. They are delivered by physicians, regional health authorities, the Alberta Mental Health Board and the Alberta Cancer Board.

Utilization rates for selected surgeries are reported in the following table. These particular surgeries were selected because national statistics show large variations in utilization across Canada. Large regional differences may reflect the availability of appropriate alternative treatments, since surgery is not the only method of care that is appropriate in some cases. Rates for these surgeries tend to be lower in larger population centres. In 1998/1999, for each of these surgery types, a small number of regions have utilization rates that are above the typical range. Regions are informed of their utilization rates compared with other regions, and are expected to use this information to ensure the most appropriate utilization levels for their populations.

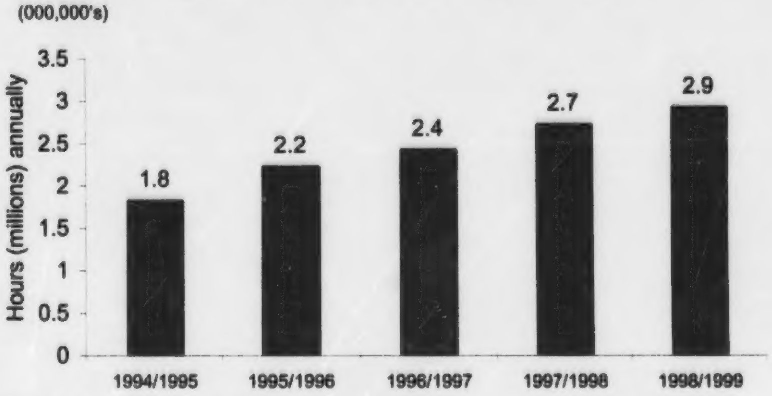
Alberta utilization rates for selected surgeries, and number of regions above the typical* range

Surgery Type (rates and number of regions above the typical range)	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	Number of Regions Above Typical* Range (1998/1999)
Caesarean Section (per 100 births)	15.8	15.9	16.3	16.6	17.8	1
Hysterectomy (per 100,000 women age 15+)	447	430	422	422	385	2
Tonsillectomy (per 100,000 aged <19)	697	573	494	431	402	5
Gall Bladder (per 100,000 population)	241	237	238	240	240	4

Source: Inpatient Morbidity File
* Typical range is within 2 standard deviations of the provincial average.

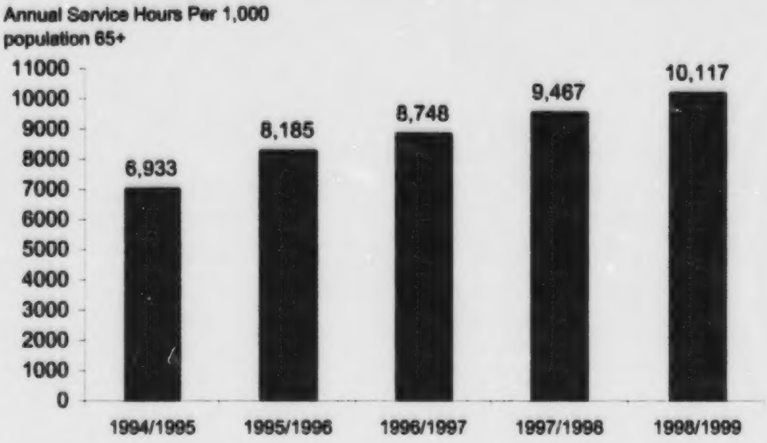
There has been a shift over time in long-term home care support to Alberta's seniors (*see Figures 4 and 5*). There is an increasing number of direct home care hours to long term clients, as well as an increase in home care service hours per 1,000 population. The greater emphasis on home care allows more seniors to remain in their homes while receiving the health care support that they need.

Figure 4: Home care direct service hours (in millions) to clients over 65 years of age requiring long term home care



Source: Annualized Home Care Information System (AHCIS)

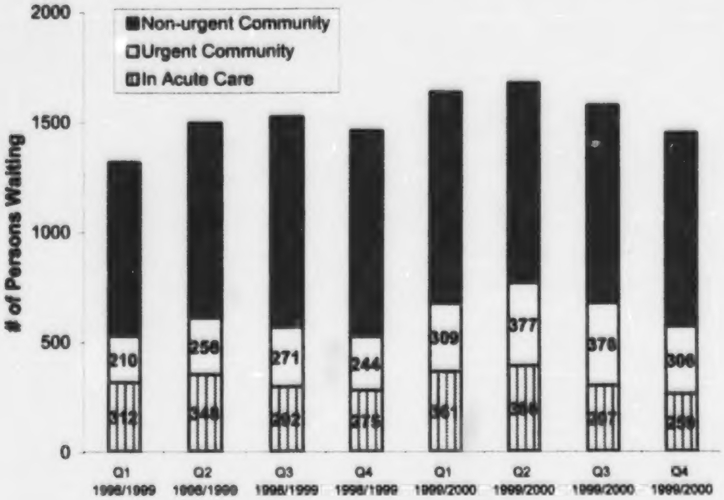
Figure 5: **Home care service hours per 1000 population over 65 years of age**



Source: Annualized Home Care Information System (AHCIS)

In 1999/2000, there was an overall modest increase in the number of people waiting for a long term care bed, as compared to the previous year. Of those waiting, there was a more marked increase in the proportion of those persons living in the community considered to be urgently in need of long term care. This urgency can occur when an individual has needs that exceed available resources of the home care program and other community services. A number of new capital projects announced in 1999/2000, as well as the recommendations from the Long Term Care Review, are expected to increase the number of available long term care spaces in long term care facilities and in other supportive living settings. These initiatives are expected to reduce the number of people waiting for long term care in Alberta.

Figure 6: Persons waiting for long term care beds in 13 Alberta regions



Source: Regional Health Authorities Quarterly Reporting
Data excludes Aspen, Keeweetinok Lakes, Northwestern and Peace RHAs. Some people on waiting list may reside outside Alberta. There may be some double-counting of persons who are on the waiting lists of more than one region.

As part of the approach to ensuring effective management practices, Alberta Health and Wellness encourages the regional health authorities to seek accreditation status through the Canadian Council on Health Services Accreditation (CCHSA). Since 1995, 16 of Alberta's 17 regional health authorities have participated in regional accreditation surveys, and accreditation status has been granted by CCHSA in each case.

CCHSA accreditation involves an organizational self-assessment and an on-site survey by a panel of independent health care experts. During this process, health services delivered by regional health authorities are assessed against a detailed set of quality standards that focus on service provision, team work, leadership and continuous improvement. When granted, accreditation status is held for a three-year period, during which there is ongoing follow-up with CCHSA regarding any areas recommended for improvement. The accreditation process is an excellent way for health authorities to evaluate and continuously improve the quality of their service delivery and management practices.

Albertans are well informed

To make the best use of the health system, Albertans need information that will help them make good decisions about how to use available resources. The Alberta Health and Wellness Survey has gathered the following information related to knowledge of health services.

Self-Reported Knowledge of Health Services	**1997**	**1998**	**1999**	**2000**	**Target 2000**
Knowledge of which health services are available (% responding ***excellent*** or ***good***) (a **key performance measure**)	70%	70%	63%	63%	**75%**
Need more information about which services are available (% responding ***yes***)	40%	39%	40%	39%	**No target set**
Where to go if you need emergency medical services (% responding ***yes***)	94%	95%	96%	97%	**No target set**

Source: Alberta Health and Wellness Survey, 1997, 1998, 1999, 2000.

These results indicate that most Albertans know where to get emergency medical services. The percentage of Albertans who report good or excellent knowledge of the health services available to them (a **key performance measure**) has remained steady at 63% following a decrease in 1999.

A significant proportion (39%) continue to indicate that they need more information about health system programs and services. Continued and improved communication by Alberta Health and Wellness, the health authorities and health service providers about the health system may help to improve public knowledge of services available.

In addition to general information about the health system provided by Alberta Health and Wellness and regional health authorities, Albertans expect to receive information about health services directly from their health care providers. Providing good information is an important part of a consumer-oriented health system. It is important for both the provider and the client to ask questions, provide answers and discuss health service options.

The Alberta Health and Wellness Survey includes questions related to the amount of information Albertans receive from their health care provider. The results indicate that there is room for improvement in this area. In the 2000 survey, 80% of Albertans reported receiving either some or a lot of information from their health care provider about the services they received, and 78% of Albertans indicated that they were involved either “a lot” or “somewhat” in the decisions about the care they received. 66% indicated that they always or often have enough information to make informed decisions about the health care services they need.

Another important strategy for improving the health of Albertans is to increase their knowledge of health, the factors that influence their health, and their ability to make good health-related decisions. For example, healthy behaviours and lifestyle help to maintain or improve health. The appropriate use of medical screening tests can often reveal the pre-conditions or early stages of a disease and improve the chances for prevention and cure. Measures are in place to assess some of these individual behaviours and knowledge.

Reported Use of Medical Screening Tests	**1985**	**1990**	**1994/1995**	**1996/1997***	**Target 2000**
Blood pressure check every 2 years (% age 15+)	87	89[1]	85	85	**No target set**
PAP test, last 3 years (% women age 18 and over) (a **key performance measure**)	83	81	79	77	**90**
Mammography, last 2 years (% women age 50 – 69) (a **key performance measure**)	Not available	43	71	64	**75** **(Target 1999)**

Source: Health Promotion Survey (1985, 1990) and National Population Health Survey (NPHS) (1994/1995, 1996/1997)

Note: Screening results are self-reported.

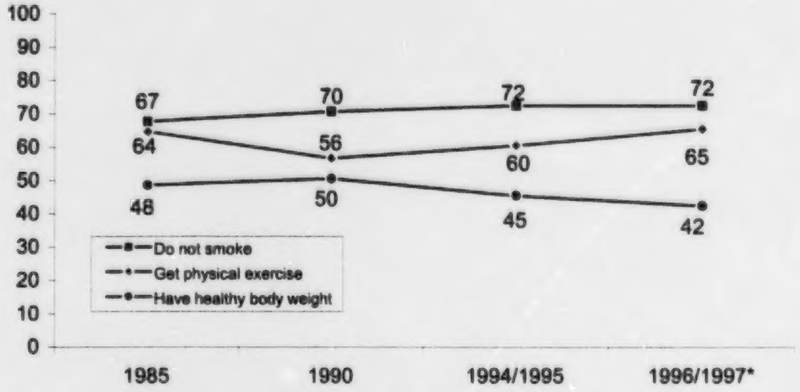
[1] 1990 data are based on 17+

* Starting in 1998/1999, the NPHS is a longitudinal survey and is no longer a representative cross-section of the population. As a result, the data from the 1998/1999 NPHS is not directly comparable to previous data releases from this survey. Rates for reported use of blood pressure checks for the NPHS longitudinal survey 1998/1999 is 85%, for PAP test is 76%, and for mammography is 69%. In view of the change in methodology, data based on the 1998/1999 National Population Health Survey (NPHS) need to be interpreted with caution.

Compared to other provinces, a high proportion of Albertans make use of medical screening tests to protect their health. These comparatively good results are due to the widespread availability of the screening tests. However, the results remain below target, and there is room for improvement. There were 36 cervical cancer deaths in 1997, and 45 in 1998 (a **key performance measure**).

Discussions with the Alberta Cancer Board have resulted in establishing a new target of 15 (<1 per 100,000) by 2002. This can be achieved with more effective and widespread use of the PAP test. Alberta Health and Wellness is also currently working with the Alberta Cancer Board, regional health authorities and **alberta we//net** to improve access to mammography for Alberta women.

Figure 7: Per cent of Albertans reporting selected healthy behaviours



Source: National Population Health Survey (NPHS) (1985, 1990, 1994/1995, 1996/1997)
(a **key performance measure**)

* Starting in 1998/1999, the NPHS is a longitudinal survey and is no longer a representative cross-section of the population. As a result, the data from the 1998/1999 NPHS is not directly comparable to previous data releases from this survey. For 1998/1999, rates for those in the longitudinal survey reporting that they do not smoke is 72%, get physical exercise is 67%, and have a healthy body weight is 41%. In view of the change in methodology, data based on the 1998/1999 National Population Health Survey (NPHS) need to be interpreted with caution.

The results shown in Figure 12 indicate an increasing proportion of the population getting sufficient physical exercise since 1990. However, there was no change between 1994/1995 and 1996/1997 in the per cent of Albertans who do not smoke (a **key performance measure**: the target is 75%). Alberta's smoking rates (aged 12 and over) are the same as the Canadian average (Canadian Institute for Health Information, 2000). With regard to teenage smoking rates, 25% of Alberta teens aged 15 to 19 are current smokers, identical to the Canadian average (Canadian Tobacco Use Monitoring Survey, 1999). A large proportion of Albertans have a body weight higher than the healthy range. Poor physical conditioning can contribute to a number of diseases, including cardiovascular diseases and diabetes.

The health system will continue to initiate and support a variety of health promotion activities and make available the expert support that is often required by persons who wish to improve their health. Health promotion activities also depend upon community groups, employer and employee initiatives, and families for achieving positive results.

Health of the population improves

Measures of the health of Albertans range from general population indicators, such as life expectancy and self-reported health status (a **key performance measure**), to more specific measures such as low birth weight and the incidence of communicable diseases. Some changes in the health results reported here can be directly related to health system programs and services. For example, childhood immunization, food and water inspection and testing services, and appropriate health care services have direct positive effects on health. Other important influences on the health of the population include social, economic and environmental factors beyond the direct control of the health system.

Self-reported health status. Albertans self-reported health status has not changed significantly during the past five years, remaining at just below the target for the 18 to 64 age group and slightly above the target for seniors. Comparisons with other provinces indicate that Alberta has the lowest proportion of those 12 and over reporting fair or poor health.

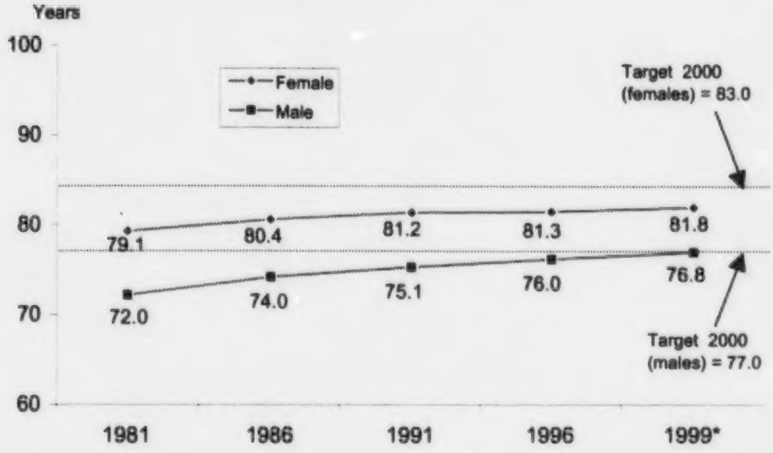
Self-Reported Health Status (a key performance measure)	**1996 %**	**1997 %**	**1998 %**	**1999 %**	**2000 %**	**Target 2000**
Age 18 – 64 (% reporting ***good, very good*** or ***excellent*** health)*	90	90	91	90	90	**70****
65 and older (% reporting ***good, very good*** or ***excellent*** health)	74	75	71	78	79	**75**

Source: Alberta Health and Wellness Survey, 1996, 1997, 1998, 1999, 2000.
*The measure was changed for consistency between both age groups.
The target is 70% for those reporting ***very good* or ***excellent*** health.

However, there are differences among Albertans in self-reported health status. For example, those in northern Alberta report themselves as less healthy than those in southern areas. To some extent, improved access to high-quality services may help to reduce these health status differences.

Life expectancy. Life expectancy (a **key performance measure**), another measure of the health of Alberta's population, has been slowly increasing over the past 20 years, and is among the highest in Canada.

Figure 8: Life expectancy of Albertans



Source: 1976 – 1991 = Statistics Canada Health Indicators Database
1996 = Statistics Canada Daily
1999 = Vital Statistics Death Registration file for death counts; Alberta Health Registration File for the mid-year population estimate
*Preliminary calculations
(a **key performance measure**)

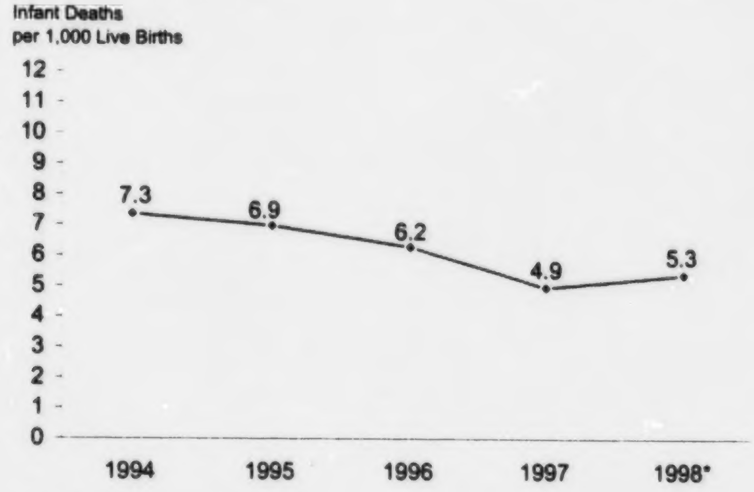
Injury and suicide mortality rates. Injury and suicide mortality rates have remained relatively stable since 1993. There is some indication that suicide among males may be decreasing. Many of these deaths affect young and healthy individuals, and can be prevented.

Mortality Rates: Injury and Suicide per 100,000 Population (a key performance measure)		1993	1994	1995	1996	1997	1998*	Target 1999
All Injury	**Males**	75	76	77	75	70	75	**No target set**
	Females	31	32	32	32	31	29	**No target set**
	Total	53	54	54	54	50	52	**45**
Suicide	**Males**	26	25	29	26	22	23	**No target set**
	Females	6	7	6	8	7	6	**No target set**
	Total	16	16	17	17	14	14	**15**

Source: Alberta Health and Wellness; calculated from Vital Statistics (April 2000) and the Alberta Health Registration File (mid-year population estimates). Mortality rates are standardized to the 1996 Canada population.
*1998 cause of death figures are preliminary.

Birth weight and infant mortality. Infant mortality rate is the number of deaths during the first year of life per 1,000 live births during the year. The Alberta infant mortality rate was 5.3 per 1,000 live births in 1998, an increase from a low of 4.9 in 1997 (*see Figure 9).* The most recent national data (1997) shows that the Alberta infant mortality rate per 1,000 live births is lower than the Canadian average (4.8 in Alberta vs. 5.5 nationally) (Canadian Institute for Health Information, 2000).

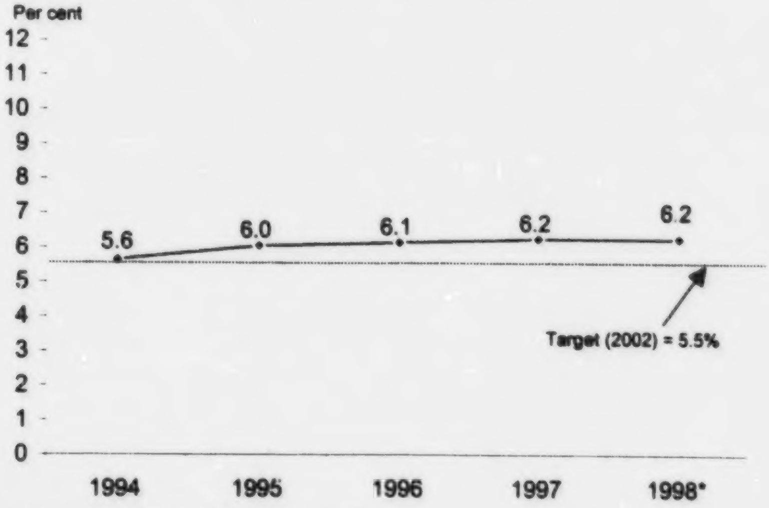
Figure 9: **Infant mortality rate**



Source: Alberta Registries — Vital Statistics
*Revised. The preliminary calculation (subject to change) for 1999 is 5.6.

The percentage of low birth weight babies (a **key performance measure**) is the per cent of live births that are under 2,500 grams (*see Figure 10*). Alberta's low birth weight rates (6.1%) were higher than the Canadian average (5.8%) in 1996, the latest year national comparison figures are available (Statistical Report on the Health of Canadians, 1999). The Department of Health and Wellness continues to be involved in provincial strategies that support the effort of regional health authorities to address low birth weight and achieve healthy birth outcomes, including collaborating with Health Canada and other partners to support the Canada Prenatal Nutrition Program.

Figure 10: **Per cent of newborns with low birth weight**



Source: Alberta Vital Statistics Birth Registration File
(a key performance measure)
* The preliminary calculation (subject to change) for 1999 is 5.9.

Per cent of newborns with low birth weight, by health region	1997 – 1999* %
1. Chinook	5.5
2. Palliser	5.7
3. Headwaters	6.6
4. Calgary	6.7
5. Health Authority 5	4.6
6. David Thompson	5.9
7. East Central	5.7
8. WestView	6.1
9. Crossroads	5.9
10. Capital	6.2
11. Aspen	5.3
12. Lakeland	5.4
13. Mistahia	5.1
14. Peace	5.0
15. Keeweetinok Lakes	5.8
16. Northern Lights	5.3
17. Northwestern	6.0
Target 2002	5.5

*Three years data combined.
Source: Alberta Vital Statistics Birth Registration File (January 2000)

Communicable diseases. Many communicable diseases, such as polio, typhoid, diphtheria and smallpox are rare or have been eliminated due to continuing public health programs. Measles has been targetted by Canada and the Pan American Health Organization (PAHO) for elimination from the Americas by the year 2000. This will be achieved by immunization. Some communicable diseases continue to be difficult to control. Diseases that usually occur in sporadic form can occur in outbreaks, such as meningococcal meningitis.

The measures include the incidence rates (number of new cases in a year) for 12 communicable diseases selected to represent public health results related to:

- Food and water quality (*E. coli* 0157, salmonellosis, giardiasis)
- Immunization (pertussis, invasive *Haemophilus influenzae b*, hepatitis B, rubella, measles)
- The spread of disease through contact between persons (tuberculosis, chlamydia, AIDS, gonorrhea)

Incidence rates for E.*coli* 0157, pertussis and tuberculosis are **key performance measures**. Alberta targets will be determined for many of these diseases as part of the development of public health goals.

Selected communicable diseases: incidence rates per 100,000 population

Notifiable Disease	1994	1995	1996	1997	1998	1999	Target (2000)
AIDS*	4.49	3.72	2.84	1.93	0.80	1.44	**No target set**
Chlamydia	187.17	178.30	177.88	162.90	183.74	184.71	**No target set**
E.coli 0157	4.68	5.42	5.76	6.84	8.97	6.64	**4.0**
Giardiasis	34.78	26.24	22.03	20.35	21.26	18.40	**No target set**
Gonorrhea	18.78	14.78	17.22	14.58	18.50	18.30	**No target set**
Invasive Hib**	0.19	0.22	0.15	0.14	0.25	0.07	**No target set**
Hepatitis B	4.42	3.61	3.61	2.76	3.61	2.94	**No target set**
Measles	1.15	0.00	0.29	8.78	0.04	0.58	**Elimination *****
Pertussis	35.37	42.97	41.22	27.55	26.27	28.25	**18.0**
Rubella	1.15	0.74	2.48	1.25	1.12	0.48	**No target set**
Salmonella	28.62	19.83	23.75	28.55	30.62	26.68	**No target set**
Tuberculosis	6.61	4.64	5.11	5.95	5.53	5.10	**4.5**

Source: Alberta Health and Wellness; Notifiable Diseases, HIV / AIDS and TB databases. Data is for calendar year.
Notes: Rates are based on mid-year population from the Alberta Health Registry files.
Figures have been updated and therefore do not match the 1998/1999 annual report.
*AIDS counts are based on year of report.
**Hib = Haemophilus type b
***Elimination = means no indigenously acquired cases not directly related to imported cases. By this definition, this target was reached in 1998 and 1999. In 1995, Canada adopted a national goal of measles elimination.

In 1999, an outbreak of measles disease occurred among unimmunized contacts of a case imported from Europe. High immunization rates in the surrounding population and other public health interventions interrupted the further spread of disease. Pertussis continues to be a problem in many parts of Alberta, with the rates remaining steady and well above the target.

AIDS incidence has been declining since 1994, due to the influence of drug treatment slowing the progression from HIV infection to AIDS. Unfortunately, new reports of HIV infection have not shown a similar decline. The rates of chlamydia are significantly higher than for gonorrhea. Both gonorrhea and chlamydia rates remained essentially stable over this time period. Tuberculosis rates remain higher than the target. Rates for E.*coli* 0157 and giardiasis declined in 1999, although the *E.coli* 0157 incidence remained higher than the target. Salmonella and hepatitis B rates remained steady. Incidence of invasive *Haemophilus influenza b* (Hib) disease and rubella continue to decline, due to the effects of successful immunization programs.

An outbreak of invasive meningococcal disease was reported in the City of Edmonton and surrounding area in late December 1999 through the winter and spring of 2000. As of March 31, 2000, seventeen cases were reported to Alberta Health and Wellness including two deaths. The increased incidence of disease occurred primarily in 15 to 19 year olds. Over 200,000 doses of meningococcal vaccine were provided to children two to 19 years in the Edmonton area through a mass immunization program that was initiated in mid-February.

Per cent immunized at age 2	**1996**	**1997**	**1998**	**Target 2002***
Diphtheria, tetanus, pertussis, polio, Hib (4 doses)	80	80	77	97
Measles, mumps, rubella (1 dose)	88	90	86	97

Source: Alberta Health and Wellness
* The target set by the Alberta Immunization Program is 98%.

Immunization against childhood diseases (a **key performance measure**) has a significant impact on the incidence of certain communicable diseases. A high rate of immunization for the population can help to ensure that the incidence of these diseases remains low. Alberta childhood immunization rates continue to be lower than provincial targets.

Special efforts are necessary in less populated regions, and with identified groups of residents, to ensure that children receive appropriate immunization to protect their health.

The measurement of results requires development of measures, collection, analysis of information and reporting of results. Analysis of the information collected and sharing of that analysis across the system supports continuous improvement in health outcomes and health system performance. Regular public reports are produced by the Ministry of Health and Wellness and health authorities.

Goals and Achievements

Goal 1: Timely, comparable and comprehensive information is available for patient care, management and research.

Action: **Continued support of health research.**

Achievements:
- Alberta Health and Wellness provided ongoing support to the Alberta Heritage Foundation for Medical Research, the Alberta Cancer Board and the Institute of Health Economics through annual grants to support research in the areas of health services, health technology assessment, population health, health economics and cancer.
- A strategic plan for departmental research responsibilities was initiated to provide a framework for research activities conducted within or funded externally by Alberta Health and Wellness.
- A health research web page link was established to the existing Alberta Health and Wellness web site.

Action: **Made enhancements to health information infrastructure.**

Achievement:
- The systems changes required for rollover to Year 2000 were completed without incident or impact on patient quality care.
- A number of improvements were made to systems and equipment to ensure availability and security of information.
- Progress was made on implementation of common systems across health authorities through **alberta we//net**'s common opportunities program.

Action: **Ensured information is collected and stored in a manner consistent with provincial and national standards.**

Achievement:
- Alberta Health and Wellness collaborated with other levels of government and stakeholders to ensure information can be shared for the benefit of all Albertans.

Action: **Began implementing a new records information system.**

Achievement:
- Conversion of existing records and staff training began throughout Alberta Health and Wellness.

Action: **Continued to implement alberta we//net to improve information exchange among stakeholders.**

Achievement:
- Advancements were made in system support for disease-specific screening programs such as cervical and breast cancer.
- The number of telehealth sites reached 54 by year-end, up from 27 at the end of 1998/1999. Alberta's telehealth program, facilitated by **alberta we//net**, provides patients access to specialist medical services from a distance.

Goal 2: The performance of the health system and indicators of the health of Albertans are measured, evaluated and reported regularly to Albertans.

Action: **Monitored changes in access to health services to assess new funding impact.**

Achievement:
- In response to new funding targetted for improved access, regional health authorities began quarterly reporting to Alberta Health and Wellness in April 1999 about performance in key service areas. Areas reported on include home care, long term care, MRI, hip/knee replacement and access to inpatient beds through emergency departments.

Action: **Conducted and reported on a number of studies relating to specific diseases, injuries, disabilities and utilization of the health system.**

Achievements:
- *Alberta Reproductive Health (Second Edition)* was released in February 2000.
- Several communicable disease reports were released: *HIV/AIDS in Alberta* in April 1999, *Tuberculosis in Alberta (1997)* in September 1999 and *STD in Alberta (1997)* in November 1999.
- *The Report on the Health of Albertans: Looking Through a Wider Lens,* describing the overall health status in Alberta, was released in January 2000.
- The *National Population Health Survey,* a federal/provincial/territorial initiative, was released in May 1999.
- Results of a study on the relationship between maternal risk factors (alcohol, drug and tobacco use) and birth weight and pre-term birth was released in July 1999.
- Results of a comprehensive environmental health study in Northern Alberta were released in April 1999.
- The Alberta Centre for Health Services Utilization Research completed studies into the utilization of health services by seniors.

Action: **Continued ongoing participation in environmental health impact assessments.**

Achievement:
- In collaboration with other ministries, Alberta Health and Wellness participated in the public health review of major industrial/agricultural development projects in Alberta, such as: Shell Muskeg River, ATCO Gas Co-generation, Pan Canadian Christina Lake, EPCOR Rossdale, Winter Gardening and Petro Canada MacKay River.

Measures and Results

As noted above, during 1999/2000 Alberta Health and Wellness supported and participated in a number of studies and research projects, and published several reports on the health of Albertans and the health system. They include:

- The *Ministry of Health and Wellness 1998/1999 Annual Report* includes financial information on each of the health authorities as well as information on health and health system performance.
- *Health Trends in Alberta* includes current information and trends on health status, infant health, health determinants, causes of death and communicable diseases.
- The *1999 Survey About Health and the Health System in Alberta* reports on the results of the Annual Health and Wellness Survey conducted by Alberta Health and Wellness, and includes ratings of access to health services, service quality and satisfaction.
- The *Annual Report on Province-Wide Health Services* (January 2000) reports on the funding and delivery of province-wide services, including heart surgery, organ transplants, trauma and burns, neurosurgery and other services.

Future Challenges

The overriding challenge for the future is to meet Albertans' needs and expectations in a way that is responsive and sustainable. One of the key reasons for assessing actions and measuring results annually, as in this annual report, is to identify areas in which performance improvements are needed. To address the longer term, Alberta Health and Wellness continues to consider with other stakeholders how to improve the publicly funded health care system without compromising quality or the principles on which the system was founded.

The 2000 – 2003 business plan for Alberta Health and Wellness identifies four forces of change that warrant increasing short-term and long-term attention and action.

1. **Demographics.** In preparing for the future, Alberta Health and Wellness must continue to be sensitive to the changing demographic profile, and particularly to the needs of an aging population. Associated with age is a higher prevalence of chronic disease and dependency, which will increase demands on the service system as well as on informal caregivers at home and in the community. The demographics of particular professions will also become a major consideration in workforce planning.

2. **Technology.** While expanding technology increases our capacity to meet needs, it also generates new costs for acquisition, financing and training. Strategies for the acquisition and integration of new medical, communications and information technology include **alberta we//net** and telehealth, and funding for expanded diagnostic capacity. The new technology also allows Alberta Health and Wellness to do things differently, perhaps more efficiently, and so continuous improvement in our service delivery system continues to be a key criterion in the assessment of new health technologies.
3. **Rising public expectations in a knowledge society.** Albertans are well educated and want to be informed about the choices and decisions they can make about their health and wellness. Technological advances will fuel their expectations for service and support. At the same time, increased information dissemination and health promotion and injury and disease prevention initiatives by Alberta Health and Wellness and other partners will have an effect. Such steps may enable many Albertans to take more responsibility for their health and make more selective demands on the service delivery system.
4. **Sustainability.** The sustainability of the public system for health is receiving considerable attention across Canada. Most jurisdictions agree that a more sustainable approach for managing the demand for services in the future is to prevent, avoid or delay illness, injury or disease in the population. A focus on long-term health gains and the many factors that influence a population's health is an essential ingredient of a future-looking strategy that the Ministry of Health and Wellness will continue to develop in collaboration with stakeholders. The cross-government Children's Health Initiative, the coordinated activities in health protection and promotion, injury and disease prevention, and environmental projects are evidence of this strategy in action.

Notes on sources and methods

The **key performance measures** identified in the Ministry of Health and Wellness 1999/2000 to 2001/2002 restated Business Plan are listed below, along with details about the source of information for these measures and about the methods used to calculate them.

For further information about these measures, or about any statistical information presented here, contact the Standards and Measures Branch, Alberta Health and Wellness, at PO Box 1360, STN Main, 10025 Jasper Avenue, Edmonton, Alberta T5J 2N3.

Measure	Page #	Source and Method
Health Service Quality		
1. Albertans' ratings of the quality of care they received	50	Alberta Health and Wellness Survey (annual). Data are collected through a telephone survey of 4,000 randomly selected Alberta households. The survey is commissioned by Alberta Health and Wellness and is conducted by the Population Research Laboratory at the University of Alberta. The response rate for the 2000 survey was 80%. Results for the entire sample are accurate within 2% 19 times out of 20. Adult Albertans who report that they have obtained health services during the past 12 months are asked to rate the quality of care personally received, using the rating categories excellent, good, fair or poor. The measure is the per cent responding excellent or good.
2. Albertans' ratings of quality of care received in hospital	51	Alberta Health and Wellness Survey (annual). [see measure 1 for method.] Adult Albertans are asked if they have personally received health services at a hospital in Alberta either as an overnight patient, a day patient, or through emergency. Those who respond "Yes" are then asked to rate the quality of care they most recently received at the hospital, using the rating categories excellent, good, fair or poor. The measure is the per cent responding excellent or good.
3. Albertans' ratings of the effect of care on their health	50	Alberta Health and Wellness Survey (annual). [see measure 1 for method]. Adult Albertans who report receiving care are asked to rate the effects of that care on their health, using the rating categories excellent, good, fair or poor. The measure is the per cent responding excellent or good.
4. Breast cancer screening rates	59	National Population Health Survey (NPHS), conducted every two years by Statistics Canada. Approximately 1,200 Albertans are interviewed, either by telephone or in person. Results for the entire sample are accurate within 3% 19 times out of 20; however, estimates for this measure are based on a much smaller sub-sample, and may only be accurate within 8%. The measure is the per cent of women aged 50 to 69 years who report having a mammogram for breast cancer screening in the past two years. [NOTE: The 1998/1999 NPHS data are longitudinal and therefore not comparable with previous years. The Canadian Community Health Survey to be launched later this year will provide cross-sectional data for this measure.]

Measure	Page #	Source and Method
5. Cervical cancer screening rates	59	National Population Health Survey (NPHS), conducted every two years by Statistics Canada. [see measure 4 for method]. The measure is the per cent of women aged 18 and older who report having a PAP test screening in the past two years. [NOTE: The 1998/1999 NPHS data are longitudinal and therefore not comparable with previous years. The Canadian Community Health Survey to be launched later this year will provide cross-sectional data for this measure.]
6. Per cent expenditure on community and home-based services	37	Alberta Health and Wellness Annual Report, summary of regional health authorities financial statements. The measure is the per cent of total operational expenditures used to provide community and home based services.

Health Access

Measure	Page #	Source and Method
7. Albertans' ratings of access to health services	47	Alberta Health and Wellness Survey (annual). [see measure 1 for method]. Adult Albertans are asked how easy or difficult it is for them to obtain needed services, using the rating categories very easy, easy, a bit difficult, or very difficult. The measure is the per cent who respond easy or very easy.
8. Albertans' self-rated knowledge of the health services	58	Alberta Health and Wellness Survey (annual). [see measure 1 for method]. Adult Albertans are asked to rate their knowledge of the health services that are available to them, using response categories excellent, good, fair or poor. The measure is the per cent who respond excellent or good.
9. Per cent of Albertans reporting failure to receive needed care	49	Alberta Health and Wellness Survey (annual). [see measure 1 for method.] Adult Albertans are asked if they have in the past 12 months been unable to receive care when they needed it. Those who respond "Yes" are then asked to report on what happened next. The measure is the per cent who respond "Yes." An additional measure (new in the 1999/2000 business plan) is the per cent who also report that they never did get the needed service.
10. Per cent of general practitioner services obtained within Albertans' home region	40	Alberta Health Care Insurance Plan (AHCIP) Claims File, which contains information on claims for payment related to physician services. The region of residence of the patient/client is compared with the region in which the service was provided. The measure is the per cent of all services to residents of a region which were obtained in that region. GP is defined as speciality codes GP, GNMH, OCMD, GEMD, CMSP. Physicians are classified into speciality with highest level of billings.
11. Length of stay in emergency after hospital admission	53	Regional Health Authorities Quarterly Reporting. The measure is the average length of time patients designated as 'admitted as inpatient' wait in emergency before being transferred to their hospital inpatient bed. Waiting time begins when a decision to admit has been made and an inpatient bed requested, and ends when the patient leaves the emergency department to be admitted to a hospital bed. Only Capital Health and Calgary Regional Health Authority are required to report on this measure.

Measure	Page #	Source and Method
Health Outcomes		
12. Life expectancy at birth (in years)	62	Alberta Vital Statistics Deaths Registration file and Alberta Health and Wellness Registration file. Life expectancy is calculated using standard actuarial methods.
13. Albertans' self-reported rating of their own health	61	Alberta Health and Wellness Survey (annual). [see measure 1 for method]. Adult Albertans are asked "Compared with other people your age, would you say your health is: excellent, very good, good, fair, poor?" The measures are the per cent (age 18 to 64) responding excellent, very good, or good, and the per cent (age 65 and older) responding excellent, very good or good. [The estimate for seniors is accurate within 4% 19 times out of 20].
14. Per cent of low birth weight newborn babies	63	Alberta Vital Statistics Birth Registration File. The measure is the per cent of live births during the year with a recorded birth weight of less than 2,500 grams.
15. Provincial rate of injury deaths including suicide	62	Health Trends in Alberta (Alberta Health and Wellness). The measure is derived from information on causes of death from Alberta Vital Statistics, and population information from Alberta Health and Wellness Registration File. Rates are standardized to the 1996 Canadian population.
16. Rates for selected communicable diseases	65	The Provincial Health Officer, Alberta Health and Wellness. This measure is the annual incidence rates (that is, new reported cases) per 100,000 Albertans for E. Coli Colitis, Pertussis and Tuberculosis.
17. Childhood immunization coverage	66	Immunization data are obtained from CAIT Report 24B1(P), generated from data submitted to Alberta Health and Wellness from Regional Health Authorities and Medical Services Branch, Health Canada. Population at age 2 is estimated from Alberta Health and Wellness registration files. The measure is the number of children aged 2 who have received the required immunization divided by the population of 2 year olds.
18. Number of deaths due to cervical cancer	59	Alberta Vital Statistics deaths file. The measure is the number of deaths to Alberta residents each year due to this cause.
19. Per cent of Albertans who do not smoke	60	National Population Health Survey, conducted every two years by Statistics Canada. [see measure 4 for method]. The measure is the per cent of Albertans age 12 and older who report that they do not smoke tobacco. [NOTE: The 1998/1999 NPHS data are longitudinal and therefore not comparable with previous years. The Canadian Community Health Survey to be launched later this year will provide cross-sectional data for this measure.]

Alberta Alcohol and Drug Abuse Commission (AADAC)*

Mission: To assist Albertans in achieving freedom from the abuse of alcohol, other drugs and gambling.

Businesses associated with alcohol, other drug and gambling problems:

- **Treatment:** Provision of a range of treatment services, including community outpatient, residential, crisis and detoxification, and specialized treatments.
- **Prevention:** Provision of a range of prevention services including community-based prevention and education programs, and early intervention.
- **Information:** Provision of accurate and current information on issues, trends and research.

Actions and Achievements

Action: **Contributed to cross-government initiatives including: Alberta Partnership on Fetal Alcohol Syndrome, Alberta Children's Initiative, *Protection of Children Involved in Prostitution Act*, Aboriginal Policy Framework and Alberta Strategic Plan for Seniors.**

Achievements:

- Through its co-chairing of the Alberta Partnership on Fetal Alcohol Syndrome (FAS) and staff chairing of many of the 17 regional committees, AADAC provided leadership and direction in the completion of the 1999/2000 FAS $2 million action plan. Results included training physicians and Alberta Justice frontline workers, an assessment and diagnosis pilot project with high risk populations, and a mass media public awareness campaign.
- AADAC participated on the provincial committee overseeing implementation of the *Protection of Children Involved in Prostitution Act*. AADAC developed an assessment instrument for the provincial committee and delivered addictions training to safe house, community and government staff.
- AADAC was represented on the Interdepartmental Committee for Aboriginal Affairs and provided input on grant funding for culturally sensitive addiction programs and services.
- AADAC completed a literature review and awarded a study contract related to gambling and seniors.

*More detail is available from the Alberta Alcohol and Drug Abuse Commission Annual Report 1999/2000.

Action: **Implemented strategies and innovations to contribute to AADAC's overall effectiveness.**

Achievement:

- AADAC strengthened alliances with public and private sector organizations to enhance addictions services. For example, almost $1 million was provided through corporate sponsorship and services in-kind for AADAC's prevention "resiliency campaign."
- AADAC began developing a new electronic information system to support timely client access to services and consistent monitoring of service effectiveness.
- In collaboration with the Alberta Gaming and Liquor Commission and the Alberta Racing Corporation, several gambling initiatives were implemented to increase awareness of problem gambling and services available.
- AADAC collaborated with Alberta Health and Wellness and others in the prevention of HIV/injection drug use and established relationships with local needle exchange programs.

Measures and Results

Two of AADAC's performance measures were added as new performance measures to the ministry's restated business plan 1999/2000 as a result of the government reorganization.

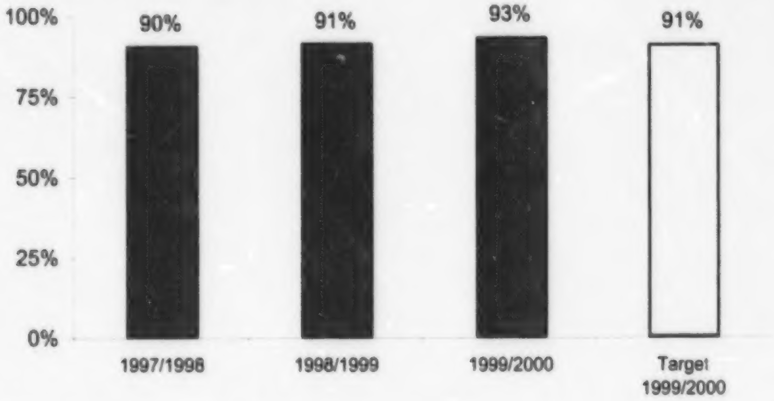
To determine AADAC's performance in ensuring reasonable access to local, regional, and provincial treatment services, clients were asked to rate access to the services they received (a **key performance measure**). As shown in Figure 11, the target for access to treatment was exceeded as the level of clients reporting 'no difficulty in gaining access to treatment services' was 93%.

Service effectiveness, that is ensuring that services facilitate clients' success in achieving their goals, was assessed using follow-up interviews (a **key performance measure**). As shown in Figure 12, the treatment effectiveness target was met, with 94% of clients reporting 'abstinent or improved' after treatment.

Measure	Page #	Source and Method
Access		
1. AADAC clients' ratings of access to service	76	A confidential, standardized, self-administered questionnaire was the instrument used to gather the data. All clients were asked to fill out the questionnaire during their first treatment session; 21,704 clients were surveyed. Three treatment sites were excluded from sampling as part of information system redevelopment.

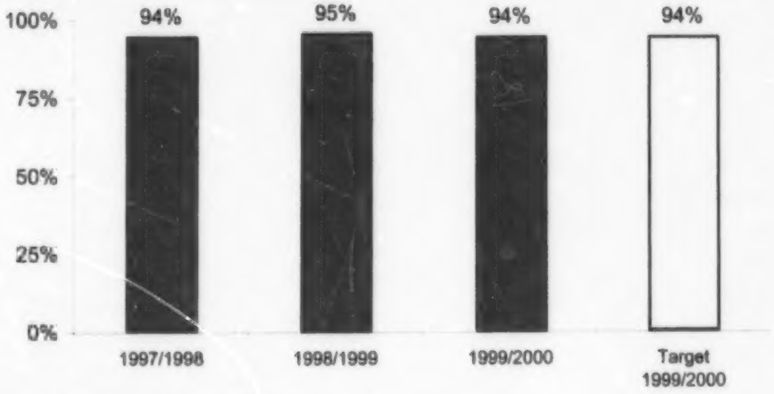
Measure	Page #	Source and Method
Effectiveness		
2. Effectiveness of AADAC treatment	76	Clients entering residential and outpatient treatment programs were eligible for interview selection. A systematic sample of clients was interviewed for post-treatment outcomes (n=973) 3 months following treatment. Based on annual client admissions, sample quotas were assigned to each treatment type. For seven months, September 1999 through March 2000, one-seventh of the annual quota was selected for follow-up interviews. Three treatment sites were excluded from sampling as part of information system redevelopment. For the follow-up interviews, clients were interviewed by a private contractor. The margin of error is ±3.1%, 19 times out of 20.

Figure 11: **AADAC client access**



% of clients reporting no difficulty in gaining access to treatment services
Source: AADAC

Figure 12: **AADAC service effectiveness**



% of clients reporting "abstinent or improved" after treatment
Source: AADAC

Future Challenges

Over the coming year, AADAC faces a number of challenges in delivering addictions services. A key challenge is our capacity to respond to increased service demand related to a growing Alberta population and increasing complexity of clients' problems. AADAC will need to be flexible to maximize collaborative opportunities yet remain focused on our core businesses.

AADAC has taken huge strides in developing problem gambling prevention and treatment services. The challenge now is to continue to expand and fully integrate problem gambling services with alcohol and other drug services.

AADAC will continue to focus its efforts on children and youth, especially those at risk for developing addiction problems. Recent surveys in Ontario and Nova Scotia indicate an upward trend in adolescent drug use in the 1990s. AADAC will monitor this situation and continue collaborative prevention efforts focused on youth.

With the design of a new information system completed, AADAC begins the challenge of implementing the system province-wide. When fully operational, the system will support timely client access to services and consistent monitoring of service effectiveness.

Persons with Developmental Disabilities Provincial Board (PDD)*

Mission: To lead the creation of an Alberta that includes adults with developmental disabilities in community life.

Businesses:

- **Community inclusion:** Ensure that adults with developmental disabilities have opportunities to be included as fully as possible in community life.
- **Resources:** Ensure that services provided under the PDD board structure are based on equitable funding and access to resources.
- **Support:** Support the ability of communities to include adults with developmental disabilities.

Goals and Achievements

Goal: Improve quality of services provided and satisfaction with services received.

Action: **Progressed on projects that will improve the board's ability to provide high-quality services.**

Achievements:

- The PDD Provincial Board, in an ongoing partnership with the Alberta Association of Rehabilitation Centres, piloted a new PDD Service Provider Certification process based on the *Creating Excellence Together Standards*.
- The PDD Provincial Board revised its 1997 PDD Abuse Reporting and Investigation Protocol to reflect legislative changes.
- Extensive consultations with stakeholders took place regarding the individual needs assessment process. Options will be considered by the provincial and community boards. Ultimately, an updated approach will improve the boards' ability to promote equity in service provision and funding.
- The PDD Provincial Board updated the Community Inclusion Supports Framework Manual and trained staff and service providers regarding the changes.

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*More detail is available from the Persons with Developmental Disabilities Provincial Board Annual Report 1999/2000.

Goal: **Increase the number of adults with developmental disabilities in supported and competitive employment.**

Action: **Advanced in implementation of employment supports for persons with disabilities.**

Achievements:

- The PDD Provincial Board worked on standardized reporting that will facilitate a results focus for the multi-department *Investing in Employment Supports for Persons with Disabilities Initiative.* The initiative is a provincial response to the federal/provincial/territorial vision paper, *In Unison: A Canadian Approach to Disabilities.*

Measures and Results[1]

The following represent new key performance measures added following reorganization into the restated business plan 1999/2000.

As part of the certification process for PDD service providers (a **key performance measure**), PDD measures quality of life for persons with developmental disabilities receiving services. The *Creating Excellence Together Standards* and their measurement system were implemented in October 1999. The measurement system is currently being evaluated as baseline data is collected. The system will be revised as necessary, based on this evaluation. Once the reliability and validity of the data and system are confirmed, the results will be reported. The target for 2003 is for 85% of persons with developmental disabilities to report they are experiencing an enhanced quality of life.

The Provincial Persons with Developmental Disabilities Board conducts a satisfaction survey with persons with developmental disabilities and their families/guardians bi-annually. The survey, completed for the first time in the 1998/1999 fiscal year, will be repeated in February 2001. In the first survey, 7,764 surveys were sent to people getting services. 2,008 surveys were returned. The margin of error for the client survey is ±2.5%, 19 times out of 20. 78% of persons with developmental disabilities who responded reported satisfaction with their role in planning and their access to information (a **key performance measure**). The target for 2001/2002 is 85%.

Satisfaction with role in planning and their access to information	**1998/1999**	**Target 2001/2002**
% satisfied	78%	**85%**

Source: Survey of people with developmental disabilities (1998/1999).

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[1] Three performance measures for the Persons with Developmental Disabilities (PDD) Provincial Board established under Family and Social Services have not been included in the restated business plan for the Ministry of Health and Wellness, and are therefore not reported here. These performance measures are:

- Number of adults with developmental disabilities in supported and competitive employment
- Percentage of PDD service providers who have been measured on the CET Certification Standards who met these standards
- Percentage of people who were satisfied with the services provided by their primary service provider

Future Challenges

A ministerial review of Persons with Developmental Disabilities programs and services that was completed this year will help confirm current directions, shape or refine new ones, and address issues related to a stable and rational funding base. Following from community input already received, the PDD Provincial Board will consider and, where possible, implement the recommendations in the Associate Minister's Report (*Building Better Bridges*) in the upcoming year.

The *Persons with Developmental Disabilities Community Governance Act* requires a comprehensive review to have started by June 2000. This provides the PDD boards and communities an opportunity to recommend changes to the legislation and improvements in community governance.

The PDD Provincial Board has an ongoing challenge to ensure there is an appropriate resource base that is equitably distributed to provide quality programs and services. This is particularly a challenge, given:

- The PDD caseload is increasing, just as the Alberta population is growing steadily.
- The average cost of programs and services is increasing as the population ages.
- PDD continues to receive requests from other disability groups to provide them with programs and services through PDD. Legislative changes and additional resources would be needed to allow the Board to consider and respond to these requests.

Premier's Council on the Status of Persons with Disabilities*

Mission: To champion significant improvements in the status of Albertans with disabilities.

Businesses:
Policy development: Developing strategic umbrella policies; contributing to the development of public sector legislation, policies, outcomes and targets; reporting progress toward outcomes; and facilitating coordination of related programs and services.

Advocacy: Informing and influencing key decision-makers, proactive public education and social marketing to increase awareness and understanding, and addressing and reducing systemic barriers that may impede rights and opportunities of Albertans with disabilities.

Evaluation: Developing standards for and monitoring performance of the support system for Albertans with disabilities and recommending systemic improvement.

Goals and Achievements

Goal: **Achievement of business plan goals**

Action: **Made significant progress on (1) Bridge Building (2) Image/Profile and Communications (3) Regionalization (4) Provincial Business Plans and (5) Integration.**

Achievements:

- Council hosted six Open Houses and two Aboriginal Community Forums across the province to gain direct input from Albertans with disabilities.
- Council developed partnerships in support of the International Year of Older Persons (1999) and the International Year of the Volunteer (2001), developed an increasing collaborative relationship with the Alberta Disabilities Forum, and attended meetings of other Alberta disability organizations.
- Council has been formally involved in the review process of regional health authorities' business plans.
- Council had increased involvement in developing ministry business plans.
- The Alberta Disability Strategy was identified, through extensive stakeholder consultation, and endorsed as Council's first priority in championing significant improvements.

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*More detail is available from the Premier's Council on the Status of Persons with Disabilities Annual Report 1999/2000.

Goal: Teamwork

Action: **Demonstrated participation and collaboration among and between ministerial and community stakeholders.**

Achievements:

- The secretariat conducted a series of interviews with government and community stakeholders in the development of its Strategic Directions document.
- Six Open Houses and two Aboriginal Community Forums were conducted to communicate the three-year business plan, discuss future initiatives and establish regular communication.
- Council provided input on the restructuring of the Assured Income for the Severely Handicapped (AISH) program and the review of services for the Persons with Developmental Disabilities (PDD) program.

Goal: Human resource management

Action: **Enhanced Council's human resource management mechanisms.**

Achievements:

- Council established effective performance management processes, continued to encourage continuous learning and professional/personal development and implemented leadership continuity strategies.

Goal: Innovation

Action: Encouraged innovation in the Council's activities as well as in public policy.

Achievements:

- The Strategic Directions framework, Open Houses and Aboriginal Community Forums provided innovative ideas and value-added participation.
- The continuous development of the Alberta Disability Strategy is in response to directions received from the disability community and other key stakeholders.
- Council provided input on a number of government initiatives, including the AISH Review, PDD review process, Alberta Partnership on Fetal Alcohol Syndrome/Effect, and the Long Term Care Review.
- Council regularly participated on the Barrier-Free Transportation Committee chaired by Alberta Infrastructure.
- Council participated in the development of the Aboriginal Policy Framework.

Measures and Results

The following represent new performance measures added following reorganization into the restated business plan 1999/2000.

The **key performance measure** for the Premier's Council on the Status of Persons with Disabilities is the percentage of stakeholders who rate their familiarity with the Council and its work as 'high' or 'very high.' The target for 1999/2000 was to establish this measure and improve this by 10% in 2000/2001.

Establishing benchmarks to determine the 'rate of familiarity' with the Council and its work requires the further development of methodologies and instruments to accurately reflect individual, community and provincial perspectives. Implementation of six Open Houses throughout the province during 1999 was the first step in establishing accurate benchmarks in a process that will continue into 2000/2001.

Future Challenges

The Premier's Council must focus on issues of common interest to all persons with disabilities, inform key stakeholders, and provide opportunities for constructive debate and to generate collective recommendations. The Council must also be positioned to deliver such recommendations effectively, given its unique mandate to advise and influence government. Communication bridges to the disability community and their governments must be open and trusting. To be effective, the Council must place a priority on creative effective partnerships and strategic alliances as evidenced in the continued development of the Alberta Disability Strategy.

Financial Information

Ministry of Health and Wellness

Consolidated Financial Statements

March 31, 2000

MINISTRY OF HEALTH AND WELLNESS

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Changes in Financial Position

Consolidated Statement of Financial Position

Notes to the Consolidated Financial Statements

Schedule 1 – Consolidated Revenues

Schedule 2 – Consolidated Dedicated Revenue Initiatives

Schedule 3 – Consolidated Expense Detailed by Object

Schedule 4 – Consolidated Budget

Schedule 5 – Related Party Transactions

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Health and Wellness as at March 31, 2000 and the consolidated statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry of Health and Wellness is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across ministries. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. The following two items identify the exceptions from generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury:

> Reporting entity
>
> The financial statements for the Ministry of Health and Wellness (the "reporting entity") do not include the results of operations and net assets of regional health authorities and Provincial health boards as referred to in Note 2(a). Exclusion of the regional health authorities and the Provincial health boards from the reporting entity is an exception from generally accepted accounting principles. These principles provide for the inclusion of the results of operations and net assets of organizations that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature, and are owned or controlled by the government. In my opinion, the above noted organizations meet the criteria for inclusion in the reporting entity and, accordingly, the results of operations and net assets of these organizations should be included in the accompanying financial statements.

The following describes, at a summary level, the effect of not including regional health authorities and Provincial health boards in the accompanying financial statements and is intended to illustrate the overall magnitude of the effect on the financial statements. If these entities had been included in the financial statements, the total assets would increase by approximately $3,264 million and total liabilities would increase by approximately $2,635 million as at March 31, 2000, resulting in an increase of approximately $629 million in net assets. Similarly, there would be an increase in revenue of approximately $583 million and an increase in expenses of approximately $341 million for the year ended March 31, 2000, resulting in an decrease in the excess of expenses over revenues of approximately $242 million. Had consolidated financial statements been prepared, virtually every account in, and the information provided by way of note to, the accompanying financial statements would have been materially different.

As the corporate government accounting policies followed stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities and Provincial health boards are not disclosed in these financial statements as transactions with related parties. Under generally accepted accounting principles, the regional health authorities and Provincial health boards are related parties of the Ministry of Health and Wellness. Since their net assets, revenues and expenses have not been included in these financial statements, a description of the nature and extent of the Ministry's transactions with them should have been included in Schedule 5, Related Party Transactions.

Excluded direct costs

Accommodation and certain other administration costs incurred in the operation of the Ministry have not been included in expenses. These costs, estimated at $19 million, are recorded by the ministries that paid the expenses on behalf of the Ministry.

Also, the Ministry of Health and Wellness' provision for doubtful accounts is not, in my opinion, in accordance with generally accepted accounting principles.

Provision for doubtful accounts

Note 2 (c)(xi) indicates that the allowance for doubtful accounts at March 31, 2000, is estimated based on an aging analysis of accounts receivable and past collection patterns. However, management's estimate of the extent to which health care insurance premiums are collectible incorporates the effect on collections of improved economic conditions. In my opinion, the assertion that collections of health care insurance premiums will improve to the extent forecasted based on improved economic conditions is not supportable. Had the provision for doubtful accounts been estimated based on the stated methodolgy, the recorded provision for the year ended March 31, 2000, amounting to $29.7 million, would be increased by $ 4.1 million; and the allowance for doubtful accounts at March 31, 2000, amounting to $115.0 million, would be increased by $8.4 million.

In my opinion, because of the effects of the matters discussed under the Reporting Entity heading in the preceding section, these consolidated financial statements do not present fairly the financial position of the Ministry as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 24, 2000

AUDITOR
GENERAL
Alberta

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2000

(thousand of dollars)

	2000		1999
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	$ 108,454	$ 109,643	$ 44,164
Transfer from the Government of Canada	734,164	687,659	486,655
Fees	661,039	676,101	662,741
Other Revenue	48,855	52,886	49,325
	1,552,512	1,526,289	1,242,885
Expenses (Schedules 2 and 3)			
Ministry Support Services	88,528	87,053	82,813
Health Services	4,737,224	4,976,000	4,346,041
Premier's Council on Status of Persons with Disabilities	669	624	532
Persons with Developmental Disabilities	267,345	356,980	300,870
Alberta Alcohol and Drug Abuse Commission	32,853	34,806	33,718
	5,126,619	5,455,463	4,763,974
Valuation Adjustments			
Provision for Doubtful Accounts	23,466	29,694	28,608
Provision for Vacation Pay	-	(1,148)	2,589
	23,466	28,546	31,197
Loss on Disposal and Write Down of Capital Assets	900	1,111	57
Total Expenses	5,150,985	5,485,120	4,795,228
Net Operating Results	$ (3,598,473)	$ (3,958,831)	$ (3,552,343)

The accompanying notes and schedules are part of these consolidated financial statements

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000	1999
Operating Transactions		
Net Operating Results	$ (3,958,831)	$ (3,552,343)
Non-cash items:		
Amortization	702	1,448
Loss on disposal and write down of capital assets	1,111	57
Provision for doubtful accounts	29,694	28,608
Provision for vacation accrual	(1,148)	2,589
	$ (3,928,472)	(3,519,641)
(Increase) in Accounts Receivable	(103,199)	(58,427)
Decrease (Increase) in inventories	35	(13)
Decrease (Increase) in Loans and Advances	2,804	(2,809)
Increase (Decrease) in Accounts Payable	22,520	(124,980)
Increase in Unearned Revenue	144,930	1,077
(Decrease) in Deferred Contributions	(96)	(200)
Cash (Used) by Operating Transactions	(3,861,478)	(3,704,993)
Investing Transactions		
Purchases of Capital Assets	(3,960)	(1,441)
Purchase of Investments	(2,565)	-
Cash (Used) by Investing Transactions	(6,525)	(1,441)
Financing Transactions		
Net Transfer from General Revenues	3,848,840	3,704,161
Net Cash (Used)	(19,163)	(2,273)
Cash, Beginning of Year	12,245	14,518
Cash, End of Year	$ (6,918)	$ 12,245

The accompanying notes and schedules are part of these consolidated financial statements

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2000
(thousand of dollars)

	2000	1999
ASSETS		
Cash (Note 4)	$ (6,918)	$ 12,245
Investments	2,565	-
Accounts Receivable (Note 5)	187,530	114,025
Loans and Advances (Note 6)	17	2,821
Inventory	151	186
Capital Assets (Note 7)	6,088	3,941
	$ 189,433	$ 133,218
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 8)	$ 282,193	$ 260,821
Deferred Contributions	214	310
Unearned Revenue (Note 9)	166,002	21,072
	448,409	282,203
NET LIABILITIES		
Net Liabilities at Beginning of Year, As Restated (Note 3)	(148,985)	(300,803)
Net Operating Results	(3,958,831)	(3,552,343)
Net Transfer from General Revenues	3,848,840	3,704,161
Net Liabilities at End of Year	(258,976)	(148,985)
	$ 189,433	$ 133,218

The accompanying notes and schedules are part of these consolidated financial statements

MINISTRY OF HEALTH AND WELLNESS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

Note 1 Authority and Purpose

The Minister of Health and Wellness (Minister) has, by the Government Organization Act and its regulations, been designated responsibilities for various Acts. To fulfil these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Health and Wellness (Ministry).

The purpose of the Ministry is to maintain and improve the health of Albertans by leading and working collaboratively with citizens and stakeholders. The Ministry leads and supports a system for the delivery of quality health services and encourages and supports healthy living.

Through a leadership role, the Ministry sets direction, policy and provincial standards that ensure quality services and set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system. The Ministry is also engaged in inter-ministerial initiatives to effectively address challenges to the health and well-being of the population.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Ministry of Health and Wellness. The Government Accountability Act defines a Ministry as including the Department and any Provincial agency and Crown-controlled organization for which the Minister is responsible. The accounts of Regional Health Authorities, the Alberta Cancer Board, and the Alberta Mental Health Board are not included in these financial statements as these accountable organizations are not considered to be part of the Ministry pursuant to section 1(1)(g) of the Government Accountability Act.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(a) Reporting Entity (continued)

The consolidated financial statements include the accounts of the following organizations:

Organization	Authority
Department of Health and Wellness	Government Organization Act
Alberta Alcohol and Drug Abuse Commission	Alcohol and Drug Abuse Act
Persons with Developmental Disabilities Foundation	Persons with Developmental Disabilities Foundation Act
Persons with Developmental Disabilities Provincial Board and Community and Facility Boards	Persons with Developmental Disabilities Community Governance Act

(b) Basis of Consolidation

The accounts of the organizations listed in Note 2(a) above have been consolidated. Revenue and expense transactions, investing and finance transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

(c) Basis of Financial Reporting

(i) Revenues

All revenues are reported on the accrual method of accounting. Cash received or receivable for which goods or services have not been provided by year-end is recorded as unearned revenue.

(ii) Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

(iii) Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote.

If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. Conversely, if actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

(c) Basis of Financial Reporting (continued)

(iv) Expenses

Expenses represent the costs of resources consumed during the year on the Ministry's operations. Expenses include amortization of capital assets.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for employees' service relating to prior years.

Certain expenses, primarily for office space, legal advice, and banking services, incurred on behalf of the Ministry by other Ministries are not reflected in the Statement of Operations. Schedule 5 discloses information on these related party transactions.

(v) Valuation Adjustments

Valuation adjustments include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

(vi) Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as the bank balance established under the Health Care Insurance Plan, cash held by the Alberta Alcohol and Drug Abuse Commission, as well as inventories held for sale.

Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. All land is capitalized.

Donated capital assets are recorded at their fair value at the time of contribution. When physical assets (capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind.

(vii) Liabilities

Liabilities include all financial claims payable by the Ministry at fiscal year end.

(viii) Net Assets/Net Liabilities

Net assets/net liabilities represent the difference between the value of assets held by the Ministry and its liabilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

(ix) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of investments, accounts receivable, inventories, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values. Fair values of loans are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

(x) Payments under Reciprocal and Other Agreements

The Ministry entered into agreements with other Provincial Governments, the Federal Government and the Workers' Compensation Board to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these financial statements.

Amounts paid and recovered under these agreements are disclosed in Note 12.

(xi) Measurement Uncertainty

(amounts in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

The allowance for doubtful accounts, in the amount of $115,000 as reported in these financial statements, is based on an ageing analysis of the accounts receivable balance at March 31, 2000 and past collection patterns. The actual amount collected could vary from that estimated.

Note 3 Reorganization

(amounts in thousands)

There were some changes in the responsibilities of the Ministry as a result of a major reorganization announced by the government on May 25, 1999 and transfers of responsibility announced throughout the year. Comparative amounts for 1999 have been restated as if the Ministry had always been assigned its current responsibilities.

Net liabilities, as previously reported, as at March 31, 1998	$ (231,370)
Transfer from Ministry of Community Development	(923)
Transfer from Ministry of Labour	(35)
Transfer from Ministry of Human Resources and Employment	(68,475)
Net liabilities, as restated, as at March 31, 1998	$ (300,803)

Note 4 Cash

(amounts in thousands)

The cash balance consists of the following:

	2000	1999
Department of Health and Wellness Collectors Bank Account	$ 2,819	$ 9,869
Alberta Alcohol and Drug Abuse Commission Consolidated Cash Investment Trust Fund	3,397	2,084
(a) Persons with Developmental Disabilities Boards Bank Account	(13,393)	-
Persons with Developmental Disabilities Foundation Bank Account	242	283
Accountable Advances	17	9
	$ (6,918)	$ 12,245

(a) In March 2000, funds were withdrawn from the Boards' bank accounts to cover payments made on their behalf. The bank accounts were not replenished until April 2000, thus creating the bank overdraft. The Boards did not enter into any lending arrangements nor pay interest on this overdraft.

Note 5 Accounts Receivable

(amounts in thousands)

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$295,576	$115,000	$180,576	$112,245
Refunds from suppliers	6,954	0	6,954	1,780
	$302,530	$115,000	$187,530	$114,025

Accounts receivables are unsecured.

Note 6 Loans and Advances
(amounts in thousands)

Loans and advances consist of travel advances of $17 (1999-$2,821). In 1999, the balance included a non-travel advance of $2,800 to a Regional Health Authority.

Note 7 Capital Assets
(amounts in thousands)

	2000				1999
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	5 years	$ 11,693	$ 6,166	$ 5,527	$ 3,427
Equipment	10 years	1,084	523	561	514
		$ 12,777	$ 6,689	$ 6,088	$ 3,941

Note 8 Accounts Payable and Accrued Liabilities
(amounts in thousands)

	2000	1999
Accounts payable	$ 47,942	$ 44,838
Accrued liabilities	221,424	202,008
Accrued vacation pay	12,827	13,975
	$ 282,193	$ 260,821

Note 9 Unearned Revenue
(amounts in thousands)

	2000	1999
Health Canada -Canada Health and Social Transfer	$ 144,258	$ -
Health Care premiums	21,672	21,040
Third party recoveries	52	14
Institution fees	20	18
	$ 166,002	$ 21,072

The Ministry received $336,402 supplementary transfer payment in 2000, of which $192,144 was recognized as revenue and the balance was deferred.

Note 10 Commitments
(amounts in thousands)

As at March 31, 2000, the Ministry has the following commitments:

	2000	1999
Specific programs commitments (a)	$ 1,065,520	$ 1,946,477
Service contracts	54,486	80,760
Equipment leases (b)	7,388	3,225
	$ 1,127,394	$ 2,030,462

(a) Included in specific program commitments is an amount of $934,100 (1999 - $1,798,500) for the provision of medical services by physicians to March 31, 2001 under the agreement signed with the Alberta Medical Association.

(b) The Ministry leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	Amount
2001	$ 4,530
2002	1,670
2003	594
2004	371
2005	112
Thereafter	111
	$ 7,388

Note 10 Commitments (continued)

Canadian Blood Services

The Province of Alberta, as represented by the Minister of Health and Wellness, has committed to provide funding to the Canadian Blood Services (CBS). The Province's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products.

This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

During the year, payments to CBS amounted to $81,312 (1999 - $56,475). Budgeted expenditure for the 2001 fiscal year is estimated at $83,843.

Note 11 Contingencies

Sexual Sterilization Claims

The Ministry of Health and Wellness, has a contingent liability in respect of 62 claims (1999 – 294 claims) aggregating $34 million (1999 - $301 million) relating to the decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined. A provision for potential losses has been made.

Hepatitis C

The Ministry was named as defendant in various legal actions relating to the Hepatitis C virus affected through the Canadian blood system. The total claimed in specific legal actions, approximates $137 million at March 31, 2000 (1999 - $55.9 million). Included in this total are four claims amounting to $6.6 million (1999 – $6.6 million) in which the Ministry has been jointly named with other entities. Forty-seven claims amounting to $125.1 million (1999- $46.7 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Federal, provincial and territorial governments have agreed to offer financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The financial package of $1.1 billion is national in scope. Alberta's share of the financial assistance package is estimated at $30 million. The details of assistance will be determined through a negotiation process submitted to the courts for approval. The Ministry made a provision for the Hepatitis C assistance.

Note 11 Contingencies (continued)

Voluntary Hospital Owners

The Ministry is liable under equity agreements entered into in 1969 between the Ministry and Voluntary Hospital Owners. The Ministry's liability is contingent upon termination of the equity agreements and concurrent transfer of ownership to the Province. The payout upon termination is estimated at $22.6 million as at March 31, 2000 (1999 -$27.4 million).

Other

At March 31, 2000, the Ministry was named as defendant in various other legal actions. The total claimed in these other legal actions approximates $556.4 million at March 31, 2000 (1999-$531.5 million). Included in this total are seven claims amounting to $507.1 million (1999 – $507.1 million) in which the Ministry has been jointly named with other entities. Twenty-three claims amounting to $41.9 million (1999 - $14.2 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 12 Payments under Reciprocal and Other Agreements
(amounts in thousands)

The Ministry entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial Governments and the Workers' Compensation Board to provide health services on their behalf. The Ministry pays service providers for services rendered under the agreements and recovers the amount paid from other provinces and the Workers' Compensation Board. Service providers include Regional Health Authorities, Provincial Health Boards and physicians.

The Ministry has also entered into an agreement with the Federal Government for the Health Transition Fund (Primary Health Care Project) to support the objective of studying and encouraging the further advancement of primary health care in Alberta. In addition, the Ministry entered into agreements with Health Canada, the Workers' Compensation Board and other provincial governments and territories to provide air ambulance services on their behalf. Payments incurred under this agreement are made by the Ministry under authority of the Financial Administration Act, Section 29.1 (1).

Accounts receivable from the Federal Government, other Provincial Governments and the Workers' Compensation Board are reflected in the Statement of Financial Position.

Note 12 Payments under Reciprocal and Other Agreements (continued) (amounts in thousands)

	2000					1999
	Health Transition Fund	Other Provincial Government	Workers' Compensation Board	Air Ambulance	Total	Total
Opening receivable balance	$ 87	$ 13,165	$ 876	$ 1,745	15,873	$ 13,709
Add: Payments made during the year	4,618	96,547	3,833	2,229	107,227	108,952
	4,705	109,712	4,709	3,974	123,100	122,661
Less: Collections received during the year	1,817	91,478	3,877	2,098	99,270	106,788
Closing receivable balance	$ 2,888	$ 18,234	$ 832	$ 1,876	$ 23,830	$ 15,873

Note 13 Pensions

(amounts in thousands)

The Ministry participates in multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers established by the government effective July 1, 1999. The expense for these pension plans is equivalent to the annual contributions of $5,353 for the year ended March 31, 2000 (1999-$4,739).

Effective January 1, 1999, the Ministry's contribution to the Public Sector Pension Plan was reduced by .3% of pensionable salaries.

At December 31, 1999, the Management Employees Pension Plan reported a surplus of $46,019 (1998-$4,355) and the Public Service Pension Plan reported a surplus of $517,020 (1998-$406,445). At March 31, 2000, the Supplementary Retirement Plan for Public Service Managers had a surplus of $33.

Note 14 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 15 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule 1

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget (Schedule 4)	Actual	Actual
Internal Government Transfers:			
Transfer from the Lottery Fund	$ 57,570	$ 57,759	$ 3,048
Transfer from Community Development	50,884	50,884	40,116
Transfer from Children Services	-	1,000	1,000
	108,454	109,643	44,164
Transfers from the Government of Canada:			
Canada Health and Social Transfer	732,232	685,218	483,094
Other	1,932	2,441	3,561
	734,164	687,659	486,655
Fees			
Health care insurance:			
Premiums before premium assistance	625,251	740,793	727,748
Less:			
Premium assistance under legislation	-	(101,974)	(102,235)
	625,251	638,819	625,513
Add:			
Penalties	12,945	14,043	13,581
Interest and miscellaneous	500	441	539
Health care insurance premiums, penalities and interest	638,696	653,303	639,633
Non-Group Blue Cross Benefits:			
Premiums before premium assistance	-	22,403	22,581
Less premium assistance	-	(2,247)	(2,320)
Non-Group Blue Cross premiums	20,000	20,156	20,261
Total premiums	658,696	673,459	659,894
Residency fees	900	1,185	1,273
Other	1,443	1,457	1,574
	661,039	676,101	662,741
Other revenue:			
Third party recoveries	46,333	47,371	42,604
Miscellaneous:			
Previous years' refunds of expenditure	1,600	2,772	3,406
Other	922	2,743	3,315
	48,855	52,886	49,325
Total revenue	$ 1,552,512	$ 1,526,289	$ 1,242,885

Schedule 2

MINISTRY OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Authorized Budget	Actual	Actual
Health Care Insurance Premium Revenue (1)			
Dedicated Revenue			
Fees	$ 638,696	$ 653,303	$ 639,633
Internal government transfers	50,884	50,884	40,116
	689,580	704,187	679,749
Expense	4,479,215	4,700,544	4,116,030
Net (Expense)	$ (3,789,635)	$ (3,996,357)	$ (3,436,281)
Non-Group Drug Benefits (2)			
Dedicated Revenue - Fees	$ 20,000	$ 20,156	$ 20,261
Expense			
Non-group drug benefits	245,282	261,097	216,461
Ground ambulance services	14,300	13,727	13,550
	259,582	274,824	230,011
Net (Expense)	$ (239,582)	$ (254,668)	$ (209,750)
Spatial Public Health Information Exchange (3)			
Dedicated Revenue - Health Canada	$ 782	$ 721	$ 1,139
Expense	1,564	288	2,008
Net (Expense) Revenue	$ (782)	$ 433	$ (869)
Capital Expenditure	$ -	$ 1,328	$ -

Schedule 2

MINISTRY OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Authorized Budget	Actual	Actual
Archival Blood Bank Record Review for Hepatitis C[(4)]			
Dedicated Revenue - Health Canada	$ 1,500	$ 172	$ -
Expense	3,000	344	-
Net (Expense)	$ (1,500)	$ (172)	$ -
Health Services for Persons with Hepatitis C[(5)]			
Dedicated Revenue - Health Canada	$ 5,300	$ -	$ -
Expense	5,300	-	-
Net (Expense) Revenue	$ -	$ -	$ -
Advisory Committee on Health Infostructure[(6)]			
Dedicated Revenue - Health Canada	$ 252	$ 252	$ -
Expense	252	252	-
Net (Expense) Revenue	$ -	$ -	$ -
Total			
Dedicated Revenue	$ 717,414	$ 725,488	$ 701,149
Expense	4,748,913	4,976,252	4,348,049
Net (Expense)	$ (4,031,499)	$ (4,250,764)	$ (3,646,900)
Capital Expenditure	$ -	$ 1,328	$ -

Schedule 2

MINISTRY OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

(1) Albertans contributed to the cost of health programs through Health Care Insurance Premiums. The levels of premiums paid by an individual or family are based on their ability to pay as defined by income.

Revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

(2) Albertans can access public or private supplemental health insurance coverage. The Ministry provides non-group Blue Cross coverage on a premium basis for non-seniors. Seniors are provided coverage, but do not pay premiums.

Expenses under the Non-Group Drug Benefits initiative represent the expenses incurred to provide Blue Cross services. The revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

(3) Health Canada is providing federal funding to continue a pilot project to test the feasibility of providing an internet-based, integrated, public health surveillance infrastructure. Health Canada and the Ministry will share the costs associated with this project on a 50/50 basis. Revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification, with the exception of $1,328 which have been capitalized.

(4) Health Canada is providing 50% of the funding to contact all persons who received blood transfusions in Alberta for the period January 1, 1986 to July 1, 1990. Those persons will be advised to seek testing and treatment, as they may have been exposed to the Hepatitis C (HCV) virus. Revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

(5) Health Canada is providing funding to provide health services to individuals who acquired the Hepatitis C virus from blood and blood products prior to Jan. 1, 1986 and after July 1, 1990. The funding will be used to treat the HCV infection using antiviral drug therapies, immunization and nursing care. The start of this project was delayed and no work was undertaken during 1999/2000, therefore no expenses were incurred.

(6) Health Canada is providing funding for a project to assess current and proposed national health information systems/initiatives and develop a strategic plan for a national health infostructure. Revenues and expenses associated with this initiative are included in the Statement of Operations under the Ministry Support Services expense classification.

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF EXPENSE DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget (a) (Schedule 4)	Actual	Actual
Voted:			
Grants	$ 4,814,065	$ 5,124,432	$ 4,464,770
Supplies and services	197,054	212,248	180,029
Salaries, wages and employee benefits	108,406	111,796	108,999
Supplies and services from support services arrangements with related parties (b)	6,052	6,085	7,843
Amortization of capital assets	903	702	1,448
Other	139	200	885
Total voted expense for operations	$ 5,126,619	$ 5,455,463	$ 4,763,974

(a) Effective April 1, 1999, the responsibilities of the Ministry changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility authorized during the year. The breakdown of expenses by object is based on management's best estimate.

(b) The Ministry receives financial and administrative services from the Department of Human Resources and Employment.

Schedule 4

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED BUDGET
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	1999-2000 Estimates Restated (a)	Encumbrance (b)	1999-2000 Budget Restated	Voted Supplementary(c)	1999-2000 Authorized Budget
Revenues:					
Transfer from Government of Canada	$ 734,164	$ -	$ 734,164	$ 7,052	$ 741,216
Internal Government Transfers	108,454	-	108,454	-	108,454
Premiums and fees	661,039	-	661,039	-	661,039
Other	48,855	-	48,855	-	48,855
	1,552,512	-	1,552,512	7,052	1,559,564
Expenses:					
Voted Expenses					
Ministry support services	88,528	-	88,528	926	89,454
Health services	4,738,797	(1,573)	4,737,224	259,088	4,996,312
Premier's Council on the Status of Persons with Disabilities	669	-	669	-	669
Persons with developmental disabilities	283,324	(15,979)	267,345	80,379	347,724
Alberta Alcohol and Drug Abuse Commission	32,853	-	32,853	153	33,006
	5,144,171	(17,552)	5,126,619	340,546	5,467,165
Valuation Adjustments					
Provision for uncollectible health care insurance premiums	23,466	-	23,466		23,466
Provision for vacation pay	-	-	-	-	-
	23,466	-	23,466	-	23,466
Total Expense	$ 5,167,637	$ (17,552)	$ 5,150,085	$ 340,546	$ 5,490,631
Loss on write down of Capital Assets	900	-	900	-	900
Net Operating Results	$ (3,616,025)	$ 17,552	$ (3,598,473)	$ (333,494)	$ (3,931,967)
Capital Investment	$ 1,242	-	$ 1,242	$ -	$ 1,242

a) Effective April 1, 1999, the responsibilities of the Ministry changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility authorised during the year.

b) In the event that actual voted expenses in the prior year exceed that budgeted, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount for voted expenses in the current year.

c) Supplementary Estimates (1999-2000) were approved on April 29, 1999 and December 9, 1999 which increased spending authority. The Appropriation (Supplementary Supply) Act, 2000 approved the expenditure of the Achievement Award Program of all Ministries in the Supplementary Estimates. The Ministry of Health and Wellness's share of the achievement award amounts to $827. Treasury Board approved increases in expenses and dedicated revenue pursuant to section 29(1.1) of the Financial Administration Act for the following dedicated revenue initiatives: $5,300 for Health Services for Persons with Hepatitis C and $1,500 for the Archival Blood Bank Review for Hepatitis C on November 4, 1999 and $252 for the Advisory Committee on Health Infostructure on March 23, 2000.

Schedule 5

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2000
(amounts in thousands)

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2000	1999
Revenue	$ 109,643	$ 44,164
Expenses:		
Grants	$ -	$ -
Other Services	2,243	1,558
	$ 2,243	$ 1,558
Receivable from	$ 2,169	$ -

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	Other Entities	
	2000	1999
Expenses (notional):		
Accommodation	$ 18,421	$ 14,317
Other Services	667	724
	$ 19,088	$ 15,041

MINISTRY OF HEALTH AND WELLNESS

STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS

FOR THE YEAR ENDED MARCH 31, 2000

(UNAUDITED)
(thousands of dollars)

	2000	1999
Write-offs:		
Health Care Insurance Premiums	$ 25,640	$ 24,428
Medical Claim Recoveries	757	921
Penalties, Interest and Miscellaneous Charges	524	564
Third Party Recoveries	1	8
Total Write-offs	$ 26,922	$ 25,921

The above statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

Department of Health and Wellness

Financial Statements

March 31, 2000

DEPARTMENT OF HEALTH AND WELLNESS

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Statement of Operations

Statement of Changes in Financial Position

Statement of Financial Position

Notes to the Financial Statements

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Schedule 2 - Dedicated Revenue Initiatives

Schedule 3 - Expense Detailed by Object

Schedule 4 - Budget

Schedule 5 – Comparison of Expenses by Elements to Authorized Budget

Schedule 6 - Salaries and Benefits

Schedule 7 – Related Party Transactions

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Minister of Health and Wellness

I have audited the statement of financial position of the Department of Health and Wellness as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Related Party Transactions

The Department of Health and Wellness is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These reporting practices have been established by Alberta Treasury and are consistent across departments. As the corporate government reporting practices stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities and Provincial health boards are not disclosed in these financial statements as transactions with related parties. Under generally accepted accounting principles, the regional health authorities and Provincial health boards are related parties of the Department. A description of the nature of the Department's relationship with regional health authorities and Provincial health boards should have been included in Schedule 7, Related Party Transactions. Also, Schedule 7 should disclose the expense for funding provided to regional health authorities and Provincial health boards amounting to $3,444 million and related accounts receivable of $10 million and accrued liabilities of $56 million.

Provision for doubtful accounts

The Department of Health and Wellness' provision for doubtful accounts is not, in my opinion, in accordance with generally accepted accounting principles. Note 2 (b) (xi) indicates that the allowance for doubtful accounts at March 31, 2000, is estimated based on an aging analysis of accounts receivable and past collection patterns. However, management's estimate of the extent to which health care insurance premiums are collectible incorporates the effect on collections of improved economic conditions. In my opinion, the assertion that collections of health care insurance premiums will improve to the extent forecasted based on improved economic conditions is not supportable. Had the provision for doubtful accounts been estimated based on the stated methodology, the recorded provision for the year ended March 31, 2000, amounting to $29.7 million, would be increased by $ 4.1 million; and the allowance for doubtful accounts at March 31, 2000, amounting to $114.9 million, would be increased by $8.4 million.

In my opinion, except for the effect of the matters discussed in the preceding paragraphs, these financial statements present fairly the financial position of the Department as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 24, 2000

AUDITOR
GENERAL
Alberta

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	$ 77,184	$ 77,184	$ 40,116
Transfer from the Government of Canada	734,164	687,659	486,655
Fees	659,596	674,645	661,168
Other Revenue	48,715	52,302	48,345
	1,519,659	1,491,790	1,236,284
Expenses			
Voted (Schedules 2, 3 and 5)			
Ministry Support Services	88,528	87,053	82,813
Health Services	4,737,224	4,976,000	4,346,041
Premier's Council on Status of Persons with Disabilities	669	624	532
Persons with Developmental Disabilities	267,345	360,551	301,113
Alberta Alcohol and Drug Abuse Commission	-	266	27,571
	5,093,766	5,424,494	4,758,070
Valuation Adjustments			
Provision for Doubtful Accounts	23,466	29,659	28,578
Provision for Vacation Pay	-	(1,283)	2,487
	23,466	28,376	31,065
Loss on Disposal of Capital Assets	-	192	49
Total Expenses	5,117,232	5,453,062	4,789,184
Net Operating Results	$ (3,597,573)	$ (3,961,272)	$ (3,552,900)

The accompanying notes and schedules are part of these financial statements

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2000

(thousands of dollars)

	2000	1999
ASSETS		
Cash	$ 2,829	$ 9,871
Accounts Receivable (Note 4)	179,540	110,616
Loans and Advances(Note 5)	11	2,818
Capital Assets (Note 6)	5,622	2,815
	$ 188,002	$ 126,120
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 7)	$ 283,688	$ 254,302
Unearned Revenue (Note 8)	165,982	21,054
	449,670	275,356
NET LIABILITIES		
Net Liabilities at Beginning of Year, As Restated (Note 3)	(149,236)	(300,497)
Net Operating Results	(3,961,272)	(3,552,900)
Net Transfer from General Revenues	3,848,840	3,704,161
Net Liabilities at End of Year	(261,668)	(149,236)
	$ 188,002	$ 126,120

The accompanying notes and schedules are part of these financial statements

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000	1999
Operating Transactions		
Net Operating Results	$ (3,961,272)	$ (3,552,900)
Non-cash items:		
Amortization	585	1,116
Loss on Disposal of Capital Assets	192	49
Provision for uncollectable health care insurance premiums	29,659	28,578
Provision for vacation accrual	(1,283)	2,487
	(3,932,119)	(3,520,670)
(Increase) in Accounts Receivable	(98,583)	(39,563)
Decrease (Increase) in Loans and Advances	2,807	(2,806)
Increase (Decrease) in Accounts Payable	30,669	(144,029)
Increase in Unearned Revenue	144,928	1,075
Cash (Used) by Operating Transactions	(3,852,298)	(3,705,993)
Investing Transactions		
Purchases of Capital Assets	(3,584)	(1,029)
Cash (Used) by Investing Transactions	(3,584)	(1,029)
Financing Transactions		
Net Transfer from General Revenues	3,848,840	3,704,161
Net Cash (Used)	(7,042)	(2,861)
Cash, Beginning of Year	9,871	12,732
Cash, End of Year	$ 2,829	$ 9,871

The accompanying notes and schedules are part of these financial statements

DEPARTMENT OF HEALTH AND WELLNESS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000

Note 1 Authority and Purpose

The Department of Health and Wellness (the "Department") operates under the authority of the Government Organization Act, Statutes of Alberta.

The purpose of the Department is to maintain and improve the health of Albertans by leading and working collaboratively with citizens and stakeholders. The Department leads and supports a system for the delivery of quality health services and encourages and supports healthy living.

Through a leadership role, the Department sets direction, policy and provincial standards that ensure quality services and set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system. The Department is also engaged in inter-ministerial initiatives to effectively address challenges to the health and well-being of the population.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Department of Health and Wellness, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. Other entities reporting to the Minister are the Regional Health Authorities, the Alberta Cancer Board, Alberta Mental Health Board, Alberta Alcohol and Drug Abuse Commission and Persons with Developmental Disabilities Boards. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Provincial Treasurer. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(o) Basis of Financial Reporting

(i) Revenues

All revenues are reported on the accrual method of accounting. Cash received or receivable for which goods or services have not been provided by year-end is recorded as unearned revenue as disclosed in Note 8.

(ii) Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

(iii) Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote.

If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

(iv) Expenses

Expenses represent the costs of resources consumed during the year on the Department's operations. Expenses include amortization of capital assets.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for service relating to prior years.

Certain expenses, primarily for office space, legal advice, and banking services, incurred on behalf of the Department by other Ministries are not reflected in the Statement of Operations. Schedule 7 discloses information on these related party transactions.

(v) Valuation Adjustments

Valuation adjustments include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

(vi) Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as the bank balance established under the Health Care Insurance Plan.

Assets acquired by right are not included. Capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. All land is capitalized.

(b) Basis of Financial Reporting (continued)

(vi) Assets (continued)

Donated capital assets are recorded at their fair value at the time of contribution.

When physical assets (capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind.

(vii) Liabilities

Liabilities include all financial claims payable by the Department at fiscal year end.

(viii)Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the value of assets held by the Department and its liabilities.

(ix) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values. Fair values of loans are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

(x) Payments under Reciprocal and Other Agreements

The Department entered into agreements with other Provincial Governments, the Federal Government and the Workers' Compensation Board to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these financial statements.

Amounts paid and recovered under these agreements are disclosed in Note 11.

(xi) Measurement Uncertainty
(amount in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

The allowance for doubtful accounts, in the amount of $114,921 as reported in Note 4 to these financial statements, is based on an ageing analysis of the accounts receivable balance at March 31, 2000 and past collection patterns. The actual amount collected could vary from that estimated.

Note 3 Reorganization
(amounts in thousands)

There were some changes in the responsibilities of the Department as a result of a major reorganization announced by the government on May 25, 1999 and transfers of responsibility announced throughout the year. Comparative amounts for 1999 have been restated as if the Department had always been assigned its current responsibilities.

Net liabilities, as previously reported, as at March 31, 1998	$(231,370)
Transfer from Department of Community Development	(366)
Transfer from Department of Labour	(35)
Transfer from Department of Human Resources and Employment	(68,726)
Net liabilities, as restated, as at March 31, 1998	$(300,497)

Note 4 Accounts Receivable
(amounts in thousands)

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$287,517	$114,921	$172,596	$108,836
Refunds from suppliers	6,944	0	6,944	1,780
	$294,461	$114,921	$179,540	$110,616

Accounts receivable are unsecured.

Note 5 Loans and Advances
(amounts in thousands)

Loans and advances consist of travel advances of $11 (1999-$2,818). In 1999, the balance included a non-travel advance of $2,800 to a Regional Health Authority.

Note 6 Capital Assets

(amounts in thousands)

	2000				1999
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware and software	5 years	$ 11,456	$ 6,017	$ 5,439	$ 2,591
Equipment	10 years	576	393	183	224
		$ 12,032	$ 6,410	$ 5,622	$ 2,815

Note 7 Accounts Payable and Accrued Liabilities
(amounts in thousands)

	2000	1999
Accounts payable	$ 43,723	$ 44,134
Accrued liabilities	229,332	198,252
Accrued vacation pay	10,633	11,916
	$ 283,688	$ 254,302

Note 8 Unearned Revenue
(amounts in thousands)

	2000	1999
Health Canada - Canada Health and Social Transfer	$ 144,258	$ -
Health Care premiums	21,672	21,040
Third party recoveries	52	14
	$ 165,982	$ 21,054

The Department received a $336,402 supplementary transfer payment in 2000, of which $192,144 was recognized as revenue and the balance was deferred.

Note 9 Commitments
(amounts in thousands)

As at March 31, 2000, the Department has the following commitments:

	2000	1999
Specific programs commitments (a)	$ 1,061,348	$ 1,942,030
Service contracts	40,465	68,363
Equipment leases (b)	4,454	3,105
	$ 1,106,267	$ 2,013,498

(a) Included in specific program commitments is an amount of $934,100 (1999-$1,798,500) for the provision of medical services by physicians to March 31, 2001 under the agreement signed with the Alberta Medical Association.

(b) The Department leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	Amount
2001	$ 1,932
2002	1,440
2003	540
2004	319
2005	112
Thereafter	111
	$ 4,454

Canadian Blood Services
(amounts in thousands)

The Province of Alberta has committed to provide funding to the Canadian Blood Services (CBS) which became operational on September 28, 1998. The Province's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products.

This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

During the year, payments to CBS amounted to $81,312 (1999 - $56,475). Budgeted expenditure for the 2001 fiscal year is estimated at $83,843.

Note 10 Contingencies

Sexual Sterilization Claims

The Department of Health and Wellness has a contingent liability in respect of 62 claims (1999 – 294 claims) aggregating $34 million (1999 - $301 million) relating to the decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined. A provision for potential losses has been made.

Hepatitis C

The Department was named as defendant in various legal actions relating to the Hepatitis C virus affected through the Canadian blood system. The total claimed in specific legal actions, approximates $137 million (1999 - $55.9 million). Included in this total are four claims amounting to $6.6 million (1999– $6.6 million) in which the Department has been jointly named with other entities. Forty-seven claims amounting to $125.1 million (1999 - $46.7 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Federal, provincial and territorial governments have agreed to offer financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The financial package of $1.1 billion is national in scope. Alberta's share of the financial assistance package is estimated at $30 million. The details of assistance will be determined through a negotiation process submitted to the courts for approval. The Department made a provision for the Hepatitis C assistance.

Voluntary Hospital Owners

The Department is liable under equity agreements entered into in 1969 between the Department and Voluntary Hospital Owners. The Department's liability is contingent upon termination of the equity agreements and concurrent transfer of ownership to the Province. The payout upon termination is estimated at $22.6 million (1999-$27.4 million).

Other

At March 31, 2000, the Department was named as defendant in various other legal actions. The total claimed in these other legal actions approximates $556.4 million (1999-$531.5 million). Included in this total are seven claims amounting to $507.1 million (1999 – $507.1 million) in which the Department has been jointly named with other entities. Twenty-three claims amounting to $41.9 million (1999 - $14.2 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 11 Payments under Reciprocal and Other Agreements (amounts in thousands)

The Department entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial Governments and the Workers' Compensation Board to provide health services on their behalf. The Department pays service providers for services rendered under the agreements and recovers the amount paid from other provinces and the Workers' Compensation Board. Service providers include Regional Health Authorities, Provincial Health Boards and physicians.

The Department has also entered into an agreement with the Federal Government for the Health Transition Fund (Primary Health Care Project) to support the objective of studying and encouraging the further advancement of primary health care in Alberta. In addition, the Department entered into agreements with Health Canada, the Workers' Compensation Board and other provincial governments and territories to provide air ambulance services on their behalf. Payments incurred under this agreement are made by the Department under authority of the Financial Administration Act, Section 29.1 (1).

Accounts receivable from the Federal Government, other Provincial Governments and the Workers' Compensation Board are reflected in the Statement of Financial Position.

	2000					1999
	Health Transition Fund	Other Provincial Government	Workers' Compensation Board	Air Ambulance	Total	Total
Opening receivable balance	$ 87	$ 13,165	$ 876	$ 1,745	$ 15,873	$ 13,709
Add: Payments made during the year	4,618	96,547	3,833	2,229	107,227	108,952
	4,705	109,712	4,709	3,974	123,100	122,661
Less: Collections received during the year	1,817	91,478	3,877	2,098	99,270	106,788
Closing receivable balance	$ 2,888	$ 18,234	$ 832	$ 1,876	$ 23,830	$ 15,873

Note 12 Pensions
(amounts in thousands)

The Department participates in multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers established by the government effective July 1, 1999. The expense for these pension plans is equivalent to the annual contributions of $2,153 for the year ended March 31, 2000 (1999-$1,708.)

Effective January 1, 1999, the Ministry's contribution to the Public Sector Pension Plan was reduced by .3% of pensionable salaries.

At December 31, 1999, the Management Employees Pension Plan reported a surplus of $46,019 (1998-$4,335) and the Public Service Pension Plan reported a surplus of $517,020 (1998-$406,445). At March 31, 2000, the Supplementary Retirement Plan for Public Service Managers had a surplus of $33.

Note 13 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 14 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule 1

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget (Schedule 4)	Actual	Actual
Internal Government Transfers:			
Transfer from the Lottery Fund	$ 26,300	$ 26,300	$ -
Transfer from Community Development	50,884	50,884	40,116
	77,184	77,184	40,116
Transfers from the Government of Canada:			
Canada Health and Social Transfer	732,232	685,218	483,094
Other	1,932	2,441	3,561
	734,164	687,659	486,655
Fees			
Health care insurance:			
Premiums before premium assistance	625,251	740,793	727,748
Less:			
Premium assistance under legislation	-	(101,974)	(102,235)
	625,251	638,819	625,513
Add:			
Penalties	12,945	14,043	13,581
Interest and miscellaneous	500	441	539
Health care insurance premiums, penalties and interest	638,696	653,303	639,633
Non-Group Blue Cross Benefits:			
Premiums before premium assistance	-	22,403	22,581
Less premium assistance	-	(2,247)	(2,320)
Non-Group Blue Cross premiums	20,000	20,156	20,261
Total premiums	658,696	673,459	659,894
Residency fees	900	1,185	1,273
Freedom of Information and Protection of Privacy Act	-	1	1
	659,596	674,645	661,168
Other revenue:			
Third party recoveries	46,333	47,371	42,604
Miscellaneous:			
Previous years' refunds of expenditure	1,600	2,772	3,406
Other	782	2,159	2,335
	48,715	52,302	48,345
Total revenue	$ 1,519,659	$ 1,491,790	$ 1,236,284

Schedule 2

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Authorized Budget	Actual	Actual
Health Care Insurance Premium Revenue (1)			
Dedicated Revenue			
Fees	$ 638,696	$ 653,303	$ 639,633
Internal government transfers	50,884	50,884	40,116
	689,580	704,187	679,749
Expense	4,479,215	4,700,544	4,116,030
Net (Expense)	$ (3,789,635)	$ (3,996,357)	$ (3,436,281)
Non-Group Drug Benefits (2)			
Dedicated Revenue - Fees	$ 20,000	$ 20,156	$ 20,261
Expense			
Non-group drug benefits	245,282	261,097	216,461
Ground ambulance services	14,300	13,727	13,550
	259,582	274,824	230,011
Net (Expense)	$ (239,582)	$ (254,668)	$ (209,750)
Spatial Public Health Information Exchange (3)			
Dedicated Revenue - Health Canada	$ 782	$ 721	$ 1,139
Expense	1,564	288	2,008
Net (Expense) Revenue	$ (782)	$ 433	$ (869)
Capital Expenditure	$ -	$ 1,328	$ -
Archival Blood Bank Record Review for Hepatitis C (4)			
Dedicated Revenue - Health Canada	$ 1,500	$ 172	$ -
Expense	3,000	344	-
Net (Expense)	$ (1,500)	$ (172)	$ -

Schedule 2

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Authorized Budget	Actual	Actual
Health Services for Persons with Hepatitis C(5)			
Dedicated Revenue - Health Canada	$ 5,300	$ -	$ -
Expense	5,300	-	-
Net (Expense) Revenue	$ -	$ -	$ -
Advisory Committee on Health Infostructure(6)			
Dedicated Revenue - Health Canada	$ 252	$ 252	$ -
Expense	252	252	-
Net (Expense) Revenue	$ -	$ -	$ -
Total			
Dedicated Revenue	$ 717,414	$ 725,488	$ 701,149
Expense	4,748,913	4,976,252	4,348,049
Net (Expense)	$ (4,031,499)	$ (4,250,764)	$ (3,646,900)
Capital Expenditure	$ -	$ 1,328	$ -

Schedule 2

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

(1) Albertans contributed to the cost of health programs through Health Care Insurance Premiums. The levels of premiums paid by an individual or family are based on their ability to pay as defined by income.

Revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

(2) Albertans can access public or private supplemental health insurance coverage. The Department provides non-group Blue Cross coverage on a premium basis for non-seniors. Seniors are provided coverage, but do not pay premiums.

Expenses under the Non-Group Drug Benefits initiative represent the expenses incurred to provide Blue Cross services. The revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

(3) Health Canada is providing federal funding to continue a pilot project to test the feasibility of providing an internet-based, integrated, public health surveillance infrastructure. Health Canada and the Department will share the costs associated with this project on a 50/50 basis. Revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification, with the exception of $1,328 which have been capitalized.

(4) Health Canada is providing 50% of the funding to contact all persons who received blood transfusions in Alberta for the period January 1, 1986 to July 1, 1990. Those persons will be advised to seek testing and treatment, as they may have been exposed to the Hepatitis C (HCV) virus. Revenues and expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

(5) Health Canada is providing funding to provide health services to individuals who acquired the Hepatitis C virus from blood and blood products prior to Jan. 1, 1986 and after July 1, 1990. The funding will be used to treat the HCV infection using antiviral drug therapies, immunization and nursing care. The start of this project was delayed and no work was undertaken during 1999/2000, therefore no expenses were incurred.

(6) Health Canada is providing funding for a project to assess current and proposed national health information systems/initiatives and develop a strategic plan for a national health infostructure. Revenues and expenses associated with this initiative are included in the Statement of Operations under the Ministry Support Services expense classification.

Schedule 3

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF EXPENSE DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget (a) (Schedule 4)	Actual	Actual
Voted:			
Grants	$ 4,973,532	$ 5,299,596	$ 4,653,025
Supplies and Services	78,604	82,870	62,988
Salaries, Wages and Employee Benefits	34,602	35,174	32,945
Supplies and Services from Support Services Arrangements with Related Parties (b)	6,052	6,085	7,843
Amortization of Capital Assets	852	585	1,116
Other	124	184	153
Total Voted Expenses	$ 5,093,766	$ 5,424,494	$ 4,758,070

(a) Effective April 1, 1999, the responsibilities of the Department changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility authorized during the year. The breakdown of expenses by object is based on management's best estimate.

(b) The Department receives financial and administrative services from the Department of Human Resources and Employment.

DEPARTMENT OF HEALTH AND WELLNESS
BUDGET
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	1999-2000 Estimates Restated (a)	Encumbrance (b)	1999-2000 Budget Restated	Voted Supplementary (c)	1999-2000 Authorized Budget
Revenues:					
Transfer from Government of Canada	$ 734,164	$ -	$ 734,164	$ 7,052	$ 741,216
Internal Government Transfers	77,184	-	77,184	-	77,184
Premiums and fees	659,596	-	659,596	-	659,596
Other	48,715	-	48,715	-	48,715
	1,519,659	-	1,519,659	7,052	1,526,711
Expenses:					
Voted Expenses					
Ministry support services	88,528	-	88,528	926	89,454
Health services	4,738,797	(1,573)	4,737,224	259,088	4,996,312
Premier's Council on the Status of Persons with Disabilities	669	-	669	-	669
Persons with Developmental Disabilities	283,324	(15,979)	267,345	80,379	347,724
Alberta Alcohol and Drug Abuse Commission	-	-	-	153	153
	5,111,318	(17,552)	5,093,766	340,546	5,434,312
Valuation Adjustments					
Provision for uncollectible health care insurance premiums	23,466	-	23,466	-	23,466
Provision for vacation pay	-	-	-	-	-
	23,466	-	23,466	-	23,466
Total Expense	$ 5,134,784	$ (17,552)	$ 5,117,232	$ 340,546	$ 5,457,778
Net Operating Results	$ (3,615,125)	$ 17,552	$ (3,597,573)	$ (333,494)	$ (3,931,067)
Capital Investment	$ 1,202	-	$ 1,202	$ -	$ 1,202

a) Effective April 1, 1999, the responsibilities of the Department changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility authorised during the year.

b) In the event that actual voted expenses in the prior year exceed that budgeted, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount for voted expenses in the current year.

c) Supplementary Estimates (1999-2000) were approved on April 29, 1999 and December 9, 1999, which increased spending authority. The Appropriation (Supplementary Supply) Act, 2000 approved the expenditure of the Achievement Award Program of all departments in the Supplementary Estimates. The Department of Health and Wellness's share of the achievement award amounts to $674. Treasury Board approved increases in expenses and dedicated revenue pursuant to section 29(1.1) of the Financial Administration Act for the following dedicated revenue initiatives: $5,300 for Health Services for Persons with Hepatitis C and $1,500 for the Archival Blood Bank Review for Hepatitis C on November 4, 1999 and $252 for the Advisory Committee on Health Infostructure on March 23, 2000.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE TO FINANCIAL STATEMENTS
Comparison of Expenses by Element to Authorized Budget

For the year ended March 31, 2000

(thousands of dollars)

	Expenses:	1999-2000 Budget	Encumbrance	Restated Budget	Voted Supplementary*	1999-2000 Authorized Budget	1999-2000 Actual Expense	Unexpended (Over Expended)
Voted Expenses								
Ministry Support Services								
1.0.1	Minister's Office	$ 345	$ -	$ 345	$ -	$ 345	$ 319	$ 26
1.0.2	Associate Minister's Office	-	-	-	-	-	220	(220)
1.0.3	Deputy Minister's Office	325	-	325	-	325	392	(67)
1.0.4	Public Communications	757	-	757	-	757	2,415	(1,658)
1.0.5	Corporate Services	3,864	-	3,864	-	3,864	3,090	774
1.0.6	Health Information and Accountability Division	31,997	-	31,997	-	31,997	30,521	1,476
1.0.7	Alberta Wellnet - Lottery Funded	1,295	-	1,295	252	1,547	2,024	(477)
1.0.8	Health Strategies Division	8,856	-	8,856	-	8,856	8,775	81
1.0.9	Health Workforce and Administrative Services	12,983	-	12,983	674	13,657	13,320	337
1.0.10	Financial Services	11,209	-	11,209	-	11,209	11,018	191
1.0.11	Health Plan Administration	10,663	-	10,663	-	10,663	9,543	1,120
1.0.12	Programs Administration	2,852	-	2,852	-	2,852	2,713	139
1.0.13	Health Facilities Review Committee	491	-	491	-	491	504	(13)
1.0.14	Mental Health Patient Advocate's Office	296	-	296	-	296	228	68
1.0.15	Provincial Health Council	750	-	750	-	750	207	543
1.0.16	Health Advisory and Appeal Services	1,760	-	1,760	-	1,760	1,681	79
1.0.17	Standing Policy Committee on Health Planning	85	-	85	-	85	83	2
		88,528	-	88,528	926	89,454	87,053	2,401
Health Services								
2.1.1	Medical Services	904,676	-	904,676	10,412	915,088	925,142	(10,054)
2.1.2	Alternate Payments	9,350	-	9,350	-	9,350	9,312	38
2.1.3	Allied Health Services	51,081	-	51,081	-	51,081	54,863	(3,782)
2.1.4	Extended Health Benefits	19,194	-	19,194	-	19,194	20,114	(920)
2.1.5	Rural Physician Action Plan	13,200	-	13,200	-	13,200	12,870	330
2.1.6	Medical Education Allowances	46,900	-	46,900	-	46,900	47,486	(586)
2.2.1	Human Tissue and Blood Services	66,263	-	66,263	6,200	72,463	81,312	(8,849)
2.2.2	Equity Agreements	3,008	-	3,008	-	3,008	510	2,498
2.2.3	Purchase of Vaccines and Sera	10,536	-	10,536	-	10,536	12,337	(1,801)
2.2.4	Provincial Laboratories of Public Health	12,559	-	12,559	-	12,559	12,559	-
2.2.5	Non-Group Drug Benefits	245,282	-	245,282	-	245,282	261,097	(15,815)
2.2.6	Ambulance Services	37,750	-	37,750	-	37,750	36,959	791
2.2.7	Out of Province Health Care Costs	40,000	-	40,000	-	40,000	38,441	1,559
2.2.8	Alberta Aids to Daily Living	59,952	-	59,952	-	59,952	57,765	2,187
2.2.9	Health Services Research	8,000	-	8,000	-	8,000	8,000	-
2.2.10	Dedicated Program Funding	63,426	(1,573)	61,853	6,800	68,653	25,759	42,894
2.2.11	Alberta Wellnet	13,705	-	13,705	-	13,705	17,369	(3,664)
2.3.1	Chinook Regional Health Authority	144,145	-	144,145	-	144,145	143,791	354
2.3.2	Palliser Regional Health Authority	79,251	-	79,251	-	79,251	79,056	195
2.3.3	Headwaters Regional Health Authority	46,016	-	45,016	-	46,016	45,902	114
2.3.4	Calgary Regional Health Authority	780,905	-	780,905	-	780,905	778,690	2,215
2.3.5	Regional Health Authority #5	38,573	-	38,573	-	38,573	38,478	95
2.3.6	David Thompson Regional Health Authority	147,831	-	147,831	-	147,831	147,467	364
2.3.7	East Central Regional Health Authority	104,339	-	104,339	-	104,339	105,082	(743)
2.3.8	Westview Regional Health Authority	38,946	-	38,946	-	38,946	42,905	(3,959)
2.3.9	Crossroads Regional Health Authority	35,124	-	35,124	-	35,124	35,038	86
2.3.10	Capital Regional Health Authority	842,510	-	842,510	-	842,510	842,109	401
2.3.11	Aspen Regional Health Authority	48,871	-	48,871	-	48,871	48,801	70
2.3.12	Lakeland Regional Health Authority	88,898	-	88,898	-	88,898	88,708	190
2.3.13	Mistahia Regional Health Authority	72,762	-	72,762	-	72,762	72,583	179
2.3.14	Peace Regional Health Authority	20,665	-	20,665	-	20,665	20,614	51
2.3.15	Keeweetinok Lakes Regional Health Authority	17,356	-	17,356	-	17,356	17,313	43
2.3.16	Northern Lights Regional Health Authority	25,638	-	25,638	-	25,638	25,575	63
2.3.17	Northwestern Regional Health Authority	13,283	-	13,283	-	13,283	13,251	32
2.3.18	Alberta Cancer Board	81,396	-	81,396	-	81,396	82,697	(1,301)
2.3.19	Alberta Mental Health Board	167,674	-	167,674	-	167,674	167,327	347
2.3.20	Innovation Fund	10,000	-	10,000	-	10,000	7,230	2,770
2.3.21	Advanced Medical Equipment	7,300	-	7,300	-	7,300	7,300	-
2.3.22	Advanced Medical Equipment GRF Funded	-	-	-	10,000	10,000	10,000	-
2.3.23	Year 2000 Compliance	33,000	-	33,000	-	33,000	17,002	15,998
2.3.24	Dedicated Program Funding	32,244	-	32,244	-	32,244	34,322	(2,078)
2.3.25	One Time Financial Assistance	-	-	-	215,676	215,676	215,676	-
2.3.26	Healthy Aging Partnership Initiative	-	-	-	10,000	10,000	10,000	-
2.3.28	Province Wide Services - Calgary Regional Health Authority	119,033	-	119,033	-	119,033	120,296	(1,263)
2.3.29	Province Wide Services - Capital Regional Health Authority	135,274	-	135,274	-	135,274	136,892	(1,618)
2.3.30	Province Wide Services - Unallocated	2,881	-	2,881	-	2,881	-	2,881
		4,738,797	(1,573)	4,737,224	259,088	4,996,312	4,976,000	20,312
Premier's Council on Status of Persons with Disabilities								
3.0.1	Premier's Council on Status of Persons with Disabilities	669	-	669	-	669	624	45
		669		669		669	624	45
Persons with Developmental Disabilities								
4.1.1	Program Support	6,807	-	6,807	-	6,807	6,289	518
4.1.2	Sterilization Claims	-	(15,979)	(15,979)	70,379	54,400	63,472	(9,072)
4.2.1	Foundation	270	-	270	-	270	270	-
4.2.2	Provincial Board	276,247	-	276,247	10,000	286,247	290,520	(4,273)
		283,324	(15,979)	267,345	80,379	347,724	360,551	(12,827)
Alberta Alcohol and Drug Abuse Commission		-	-	-	153	153	266	(113)
Total Voted Expenses		$ 5,111,318	$ (17,552)	$ 5,093,766	$ 340,546	$ 5,434,312	$ 5,424,494	$ 9,818
Capital Investment		$ 1,202	$ -	$ 1,202	$ -	$ 1,202	$ 3,584	$ (2,382)

a) Effective April 1, 1999, the responsibilities of the Department changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility during the year.

b) In the event that actual voted expenses in the prior year exceed that budgeted, the difference is known as encumbrance. The encumbrance reduces the budgeted amount for voted expenses in the current year.

c) Supplementary Estimates (1999-2000) were approved on April 29, 1999 and December 9, 1999 which increased spending authority. The Appropriation (Supplementary Supply) Act, 2000 approved the expenditure of the Achievement Award Program of all departments in the Supplementary Estimates of the Department of Human Resources and Employment. The Department of Health and Wellness's share of the achievement award amounts to $674.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2000

	2000			1999
	Salary[1][2]	Benefits and Allowances[1][3]	Total	Total
CURRENT EXECUTIVES[1]				
Deputy Minister [4]	$ 151,680	$ 27,342	$ 179,022	$ 156,859
Special Advisor to the Deputy Minister [5]	84,506	19,485	103,991	-
Mental Health Patient Advocate	100,447	15,455	115,902	115,771
Assistant Deputy Ministers				
Health Information and Accountability	103,370	18,772	122,142	116,583
Health Strategies	114,124	19,414	133,538	120,108
Health Workforce and Administrative Services	110,361	17,278	127,639	114,022
Chief Financial Officer Finance and Health Plan Administration	114,124	19,410	133,534	125,196
Executive Director Corporate Services	100,562	17,617	118,179	111,872

(1) Prepared in accordance with Treasury Board Directive 12/98. The schedule includes the salary and benefits of:

Current Executives:
This includes the salary and benefits of the last incumbent. Where the last incumbent has held the position for part of the year, his/her salary and benefits as an executive in previous positions within the government reporting entity are also included.

(2) Salary includes regular base pay, bonuses, overtime, lump sum payments and any other direct cash remuneration.

(3) Benefits and allowances include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships and tuition and vacation payout for regular and management supplementary vacation.

(4) Automobile provided, no dollar amount was included in benefits and allowances.

(5) The incumbent was seconded on a two year term from Executive Council as Special Advisor to the Deputy Minister on July 20, 1999.

Schedule 7

DEPARTMENT OF HEALTH AND WELLNESS
Related Party Transactions
For the Year Ended March 31, 2000
(amounts in thousands)

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Department. The Entities in the Ministry are Alberta Alcohol and Drug Abuse Commission and Persons with Developmental Disabilities Provincial, Community and Facility Boards.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2000	1999	2000	1999
Revenues:				
Grants	$ -	$ -	$ 77,184	$ 40,116
Expenses:				
Grants	$ 291,056	$ 266,176	$ -	$ -
Other services	-	-	2,176	1,558
	$ 291,056	$ 266,176	$ 2,176	$ 1,558
Receivable from	$ 263	$ -	$ -	$ -
(Payable) to	$ (25,242)	$ (9,077)	$ -	$ -

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	Entities in the Ministry		Other Entities	
	2000	1999	2000	1999
Expenses (notional):				
Accommodation	$ -	$ -	$5,594	$3,000
Other services	-	-	667	724
	$ -	$ -	$6,261	$3,724

Alberta Alcohol and Drug Abuse Commission

Financial Statements

March 31, 2000

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Alberta Alcohol and Drug Abuse Commission

I have audited the statement of financial position of the Alberta Alcohol and Drug Abuse Commission as at March 31, 2000 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Commission is required to follow the corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from generally accepted accounting principles. As disclosed in Note 9, accommodation and certain other administration costs incurred in the administration of the Commission have not been included in expenses. These costs, estimated at $5.7 million, are recorded by the department that paid the expenses on behalf of the Commission.

As disclosed in Note 5 to the financial statements, the Commission changed how it records capital assets. Capital assets costing less than $5,000, acquired during the year and the net book value of such previously capitalized assets, have been expensed. Consequently, a significant amount of resources available to the Commission have been recorded as if they were consumed. In my view, approximately $750,000, representing the net book value of these assets as at March 31, 2000, should be recognized in the accompanying statement of financial position. The effect of this understatement of assets is to overstate expenses by approximately $750,000 for the year ended March 31, 2000.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 24, 2000

AUDITOR
GENERAL
Alberta

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2000

	2000	1999 (restated Note 3)
ASSETS		
Current assets:		
Cash (Note 4)	$ 3,396,954	$ 2,089,549
Accounts receivable	375,887	670,491
Inventory	150,626	186,442
	3,923,467	2,946,482
Capital assets (Note 5)	133,179	1,065,968
	$ 4,056,646	$ 4,012,450
LIABILITIES AND ACCUMULATED DEFICIT		
Current liabilities:		
Accrued vacation pay	$ 2,190,000	$ 2,060,000
Accounts payable	3,043,933	1,888,312
Deferred contributions (Note 6)	214,089	583,461
Unearned revenue	19,434	17,525
	5,467,456	4,549,298
Accumulated deficit:		
At beginning of year	(536,848)	(556,935)
Net operating results	(873,962)	20,087
At end of year	(1,410,810)	(536,848)
	$ 4,056,646	$ 4,012,450

The accompanying notes and schedules are part of these financial statements.

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2000

	2000		1999
	Budget (Note 8)	Actual	Actual (restated & Notes 3 & 12)
Revenues (Schedule 1):			
Internal government transfers:			
Lottery Fund (Note 9)	$ 27,875,000	$ 27,875,000	$ -
Department of Community Development			27,571,031
Lottery Fund for Problem Gambling (Notes 6 and 9)	3,395,000	3,584,208	3,286,762
Department of Children's Services (Notes 6 and 9)	-	1,272,631	727,369
Department of Health and Wellness	-	265,665	-
Other revenues:			
Fees	1,443,000	1,407,131	1,387,449
Other	140,000	598,147	895,793
	32,853,000	35,002,782	33,868,404
Expenses (Schedule 2):			
Programs:			
Community services	14,833,000	15,724,897	15,405,659
Residential treatment services	8,758,000	8,836,036	8,724,473
Detoxification services	5,243,000	5,253,422	5,188,526
Research information and monitoring	2,542,000	3,252,420	2,649,455
Administration	1,477,000	1,755,925	1,750,204
Accrued vacation pay adjustment	-	135,000	130,000
	32,853,000	34,957,700	33,848,317
	-	45,082	20,087
Asset write off (Note 5)	900,000	919,044	-
Net operating results	$ (900,000)	$ (873,962)	$ 20,087

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2000

	2000	1999 (restated Note 3)
Operating activities:		
Net operating results	$ (873,962)	$ 20,087
Add non-cash charges:		
Amortization of capital assets	41,287	332,410
Asset write-off	919,044	-
	86,369	352,497
Decrease (Increase) in non-cash working capital	1,248,578	294,802
Cash provided by operating activities	1,334,947	647,299
Investing activities:		
Acquisition (disposal) of capital assets	(27,542)	(351,788)
Proceeds on disposal of capital assets	-	8,069
Cash used in investing activities	(27,542)	(343,719)
Net cash provided	1,307,405	303,580
Cash at beginning of year	2,089,549	1,785,969
Cash at end of year	$ 3,396,954	$ 2,089,549

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000

Note 1 Authority and Purpose

The Alberta Alcohol and Drug Abuse Commission (Commission) is an agent of the Crown under the authority of the Alcohol and Drug Abuse Act, Chapter A-38, Revised Statutes of Alberta 1980. The Commission is dependent on grants from the Lottery Fund for funding its programs and for meeting its obligations as they become due.

The Commission's purpose is to assist Albertans in achieving a life free from the abuse of alcohol, other drugs and gambling. The Commission does this by providing community-based information, prevention and treatment services.

The Commission is a Government of Alberta agency and is not subject to Canadian taxes.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Revenue Recognition

Operating grants from the Lottery Fund are recognized as revenue when they are receivable.

Until March 1999, the operating grants from the Lottery Fund which were restricted for the problem gambling program were deferred and recognized as revenue in the period in which the related expenses are incurred. There are no such restrictions in 2000.

Unrestricted donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

Externally restricted donations are deferred and are recognized as revenue in the period in which the related expenses are incurred.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Expenses

Accommodation and certain other administration costs incurred in the administration of the Commission have not been included in the Commission's expenses. These costs are incurred and recorded by the Department of Infrastructure.

(c) Inventory

Inventory is valued at the lower of cost and replacement cost.

(d) Capital Assets

Capital assets are recorded at cost net of accumulated amortization. Amortization is provided over the estimated useful lives of the assets as follows:

Furniture and equipment	- 10 years straight-line
Computer equipment and software	- 5 years straight-line

(e) Pensions

The Commission participates in multiemployer pensions plans with related government entities. Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for service relating to prior years.

(f) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable, accrued liabilities, deferred contributions and unearned revenues are estimated to approximate their book values.

Note 3 Change in Accounting Policy

The Commission has changed the way it accounts for its participation in multiemployer pension plans to a defined contribution basis. This change in accounting policy has been applied retroactively with restatement of comparative amounts. As a result of the change, opening net liabilities as of April 1, 1998 have been decreased by $1,100,000. As at March 31, 1999, pension liabilities have decreased by $813,000 and net liabilities have decreased by $813,000. The net pension expense adjustment of $287,000 for the year ended March 31, 1999 has been eliminated as a result of this change.

Note 4 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (Fund) of the Province of Alberta. The Fund is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of five years. Interest is earned on the Commission's daily cash balance at the average rate of the Fund's earnings, which vary depending on prevailing market interest rates. Interest of $262,386 (1999 $125,467) has been credited directly to the Treasury Department.

Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 5 Capital Assets

Capital assets consist of the following:

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	$ 236,320	$ 147,917	$ 88,403	$ 836,406
Furniture and equipment	99,273	54,497	44,776	229,562
	$ 335,593	$ 202,414	$ 133,179	$ 1,065,968

Change in Capitalization Limit

During the year the Commission increased the capitalization threshold from $500 to $5,000 and expensed the March 31, 1999 Net Book Value of previously capitalized assets under $5,000 in the amount of $919,044.

Note 6 Deferred Contributions

Deferred contributions consist of unexpended funds from donations to the Memorial Trust. These are externally restricted to be used to supplement the work of the Commission in the areas of research and education and to acquire capital assets. Prior years' balances included unexpended funds for the problem gambling program and Fetal Alcohol Syndrome project. Changes in deferred contributions are as follows:

	2000				1999
	Memorial Trust Purposes	Problem Gambling	Fetal Alcohol Syndrome	Total	Total
Contributions from:					
Lottery Fund (unrestricted)	$ -	$ 3,395,000	$ -	$ 3,395,000	$ 3,048,000
Department of Children's Services	-	-	1,000,000	1,000,000	1,000,000
Interest earned	8,868		-	8,868	59,224
Donations	148,290	-	-	148,290	3,335
Transferred to revenue	(64,690)	(3,584,209)	(1,272,631)	(4,921,530)	(4,037,324)
Increase (decrease) during the year	92,468	(189,209)	(272,631)	(369,372)	73,235
Balance at beginning of year	121,621	189,209	272,631	583,461	510,226
Balance at end of year	$ 214,089	$ -	$ -	$ 214,089	$ 583,461

Note 7 Pension Costs

The Commission participates in the multiemployer pensions plans, Management Employee Pension Plan and Public Service Pension Plan. The Commission also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers established by the government effective July 1, 1999. The expense for these pension plans is equivalent to the annual contributions of $830,221 for the year ended March 31, 2000 (1999-$849,296).

At December 31, 1999, the Management Employees Pension Plan reported a surplus of $46,019,000 (1998-$4,355,000) and the Public Service Pension Plan reported a surplus of $517,020,000 (1998-$406,445,000). At December 31, 1999, the Supplementary Retirement Plan for Public Service Managers had a surplus of $33,000.

Note 8 Budget

The budget amounts shown on the statement of operations, agree with the 1999-00 Government Estimates. The Government Estimates budget was approved on April 18, 1999 by the Members of the Commission.

Note 9 Related Party Transactions

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Commission.

For purposes of this schedule, the Related parties are separated into "Entities in the Ministry" which includes the Department of Health and Wellness, Persons With Developmental Disabilities Provincial, Community and Facility Boards and "Other Entities".

The Commission and its employees paid and collected certain fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

Note 9 Related Party Transactions (continued)

	Entities in the Ministry		Other Entities	
	2000	1999	2000	1999
Revenues:				
Grants	$ 265,665	$ 27,571,031	$ 32,731,839	$ 4,014,131
Expenses:				
Other Services	320,000	-	-	83,452
Receivable from	153,165	438,031	-	-
(Payable to)	(263,358)	-	(217,000)	-

Note 9 **Related Party Transactions (continued)**

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related parties are estimated based on the costs incurred by the service provider to provide the services. These amounts are not recorded in the financial statements.

	Entities in the Ministry		Other Entities	
	2000	1999	2000	1999
Revenues (notional):				
Interest	$ -	$ -	$ 262,386	$ 125,467
Expenses (notional):				
Accommodation	$ -	$ -	$ 5,725,000	$ 4,900,000

Note 10 **Federal/Provincial Cost Sharing Agreements**

The province of Alberta recovers part of its contributions to the Commission from the Government of Canada under the Employabilities Assistance for People with Disabilities, and the Alcohol and Drug Treatment and Rehabilitation agreements. Claims relating to the Commission's activities for the years ended March 31, 2000 and March 31, 1999 amount to approximately $9,456,000 and $10,470,000 respectively.

Note 11 Salaries, Wages, Benefits and Allowances

	2000			1999
	Salaries[a]	Benefits and Allowances[b]	Total	Total
Current Executives				
Chairman of the Board	$ 15,158		$ 15,158	$ 15,135
Board members[c]	23,663		23,663	32,809
Chief Executive Officer	120,029	36,289 [d]	156,318	169,122
Executive Director, Program Services	92,176	17,825	110,001	119,923
Divisional Directors:				
Corporate Services	86,749	16,450 [e]	103,199	105,114
Provincial Resource Services	75,234	15,968	91,202	98,067
Southern Alberta Addictions Services	76,668	16,368	93,036	92,376
Comptroller	77,431	15,434	92,865	86,840
Northern Alberta Addictions Services	72,758	15,622	88,380	86,589
Central Alberta Addictions Services	72,286	15,449	87,735	86,427

[a] Salaries include regular pay, overtime, lump sum payments, honoraria and any other direct cash remuneration.

[b] Benefits and allowances include the Commission's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, tuition fees, conference fees, professional memberships and vacation payouts.

[c] There were nine Board members in both years.

[d] An amount has not been included in benefits and allowances for the automobile provided to the Chief Executive Officer.

[e] The benefits and allowances amount includes a vacation payout of $nil (1999 $8,769).

Note 12 Comparative Figures

Certain 1999 amounts have been reclassified to conform to 2000 presentation.

Schedule 1

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

SCHEDULE OF REVENUES

FOR THE YEAR ENDED MARCH 31, 2000

	2000	1999 (reclassified Note 12)
Internal government transfers:		
Grants from the Lottery Fund	$ 27,875,000	$ -
Department of Community Development	-	27,571,031
Grants from the Lottery Fund for Problem Gambling	3,584,208	3,286,762
Department of Children's Services	1,272,631	727,369
Department of Health and Wellness	265,665	-
	32,997,504	31,585,162
Other revenues:		
Fees:		
Clients	1,254,891	1,222,889
Seminars	152,240	164,560
	1,407,131	1,387,449
Other:		
Donations	9,164	34,328
Publications	49,376	55,872
Miscellaneous	539,607	805,593
	598,147	895,793
Total revenues	$ 35,002,782	$ 33,868,404

Schedule 2

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

SCHEDULE OF EXPENSES BY OBJECT

FOR THE YEAR ENDED MARCH 31, 2000

	2000	1999 (restated Note 3)
Manpower:		
Salaries	$ 14,998,671	$14,827,216
Employer contributions	2,697,367	2,617,809
Wages	1,823,715	1,797,046
Allowances and benefits	95,477	68,494
	19,615,230	19,310,565
Grants:		
Direct financial assistance to agencies	7,196,914	7,048,917
Other:		
Professional, technical, and labor services	5,136,827	4,549,523
Materials and supplies	1,247,462	910,367
Travel and relocation	523,705	556,949
Telephones	292,598	355,601
Amortization	41,287	332,410
Voluntary separation payments	248,354	163,366
Board members' fees	38,821	47,944
Bad debts	34,652	29,070
Hosting	24,002	24,511
Other operating expenses	557,848	519,094
	8,145,556	7,488,835
	$ 34,957,700	$33,848,317

Persons with Developmental Disabilities Provincial Board

FINANCIAL STATEMENTS

as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

PROVINCIAL BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities Provincial Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 3. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

> Excluded direct costs
>
> Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $392,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

AUDITOR
GENERAL
Alberta

Persons with Developmental Disabilities
Provincial Board
Statement of Operations
For the year ended March 31, 2000

	(in $000's)		
	2000		1999
	Budget (Schedule 2)	Actual	Actual
Revenue			
Grant from Department of Health and Wellness	283,412	290,520	263,406
Expenses			
Board Governance	10,329	1,814	593
Grant to Persons with Developmental Disabilities Northwest Alberta Community Board	9,334	10,206	8,951
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	12,905	13,541	12,387
Grant to Edmonton Community Board for Persons with Developmental Disabilities	77,812	80,754	74,687
Grant to Persons with Developmental Disabilities Central Alberta Community Board	38,866	41,455	37,014
Grant to Persons with Developmental Disabilities Calgary Region Community Board	62,903	67,517	60,246
Grant to Persons with Developmental Disabilities South Alberta Board	29,796	30,845	28,738
Grant to Michener Centre Facility Board	41,467	42,529	40,811
	283,412	288,661	263,427
Net Operating Results before Transfer	-	1,859	(21)
Transfers From/(To) (Note2)			
Persons with Developmental Disabilities Northwest Alberta Community Board	-	177	-
Persons with Developmental Disabilities Northeast Alberta Community Board	-	644	-
Edmonton Community Board for Persons with Developmental Disabilities	-	(933)	-
Persons with Developmental Disabilities Central Alberta Community Board	-	(517)	-
Persons with Developmental Disabilities Calgary Region Community Board	-	(962)	-
Persons with Developmental Disabilities South Alberta Board	-	690	-
	-	(901)	-
Net Operating Results	-	958	(21)

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Provincial Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s) 2000	1999
Operating Transactions		
Net Operating Results	958	(21)
Decrease (Increase) in Accounts Receivable	(20,779)	(8,075)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	19,723	8,096
Decrease in cash and Bank Overdraft, end of year	(98)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Provincial Board
Statement of Financial Position
As at March 31, 2000

	2000 (in $000's)	1999 (in $000's)
Assets		
Accounts Receivable (Note 3)	28,854	8,075
Liabilities		
Bank Overdraft (Note 2)	98	-
Accounts Payable and Accrued Liabilities	27,819	8,096
	27,917	8,096
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(21)	-
Net Operating Results	958	(21)
Net Assets (Liabilities), End of Year	937	(21)
	28,854	8,075

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Provincial Board (the Provincial Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Provincial Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act.*

The purpose of the Provincial Board is to promote the inclusion of adults with developmental disabilities in community life by developing a plan for the delivery of services to adults with developmental disabilities and overseeing and evaluating the implementation of that plan. The Provincial Board coordinates the activities of the Community and Facility Boards.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Provincial Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

The Provincial Board was accountable to the Minister of Family and Social Services. As a result of the government reorganization announced on May 25, 1999, the Provincial Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Provincial Board's operations.

Certain expenses, primarily for legal advice, and banking services, incurred on behalf of the Provincial Board by other Ministries are not reflected in the Statement of Operations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Provincial Board for the year ended March 31, 2000 were $217. Comparable costs are not available for the year ended March 31, 1999.

Information technology, communications, financial and human resources were provided to the Provincial Board by the Department of Human Resources and Employment through an arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the Provincial Board were $175 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfers From/(To) Persons with Developmental Disabilities Community Boards

The nature of the transfer is to provide additional funding from(to) the Community Boards to(from) the Provincial Board to eliminate the Community Boards' 1998/99 surpluses(deficits) as approved by the Minister of Health and Wellness.

Assets

Financial assets of the Provincial Board are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities represent all financial claims payable by the Provincial Board at fiscal year end. In March 2000, funds were withdrawn from the Provincial Board Bank Account to cover payments made on its behalf. The bank account was not replenished until early April 2000 thus creating this bank overdraft. The Provincial Board did not enter into any lending arrangement or pay interest on this overdraft.

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the value of assets held by the Provincial Board and its liabilities.

Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$28,854	-	$28,854	$8,075

Accounts receivable are unsecured and non-interest bearing. The balance includes a receivable from the Department of Health and Wellness of $27,056 (1999 - $8,075) and the Community Boards of $1,798.

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 6 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 7 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Provincial Board.

Persons with Developmental Disabilities
Provincial Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

(in $000's)

	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	538	652	392
Supplies and Services	9,791	1,162	201
Grants	273,083	286,847	262,834
Total Expenses	283,412	288,661	263,427

(a) Manpower costs relate to employees seconded to the Provincial Board from the Department of Health and Wellness and are not employees of the Provincial Board.

Persons with Developmental Disabilities
Provincial Board
Budget
For the Year Ended March 31, 2000

Schedule 2

	(in $000's)					
	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary (a)	Increases from Department (b)	1999-2000 Authorized Budget
Revenue						
Grant from Department of Health and Wellness	283,412	(7,994)	275,418	10,000	5,102	290,520
Expenses						
Board Governance	10,329	-	10,329	-	(6,656)	3,673
Grant to Persons with Developmental Disabilities Northwest Alberta Community Board	9,334	(439)	8,895	422	450	9,767
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	12,905	(528)	12,377	738	865	13,980
Grant to Edmonton Community Board for Persons with Developmental Disabilities	77,812	(3,407)	74,405	3,107	3,242	80,754
Grant to Persons with Developmental Disabilities Central Alberta Community Board	38,866	(1,345)	37,521	2,231	1,703	41,455
Grant to Persons with Developmental Disabilities Calgary Region Community Board	62,903	(1,766)	61,137	2,851	3,529	67,517
Grant to Persons with Developmental Disabilities South Alberta Board	29,796	(509)	29,287	651	907	30,845
Grant to Michener Centre Facility Board	41,467	-	41,467	-	1,062	42,529
	283,412	(7,994)	275,418	10,000	5,102	290,520
Net Operating Results	-	-	-	-	-	-

(a) Supplementary Estimates were approved on December 9, 1999. Treasury Board approval is pursuant to section 29 (1.1) of the Financial Administration Act.

(b) Additional funding provided by the Department of Health and Wellness to cover additional operating costs for the fiscal year.

Persons with Developmental Disabilities
Provincial Board
Disclosure of Payments to Executives
For the year Ended March 31, 2000

Schedule 3

	2000			1999
	Payments	Contributions	Total	Total
Chair of the Board (a)	$ 26,252	$ -	$ 26,252	$ 25,886
Board Members (8 members) (a)	43,303		43,303	23,379
Chief Executive Officer (b)	94,512	18,090	112,602	112,634

a. These amounts represent honoraria payments made to the Chair and Members of the Provincial Board.

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Provincial Board under an arrangement with the Department Of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
Northeast Alberta Community Board
FINANCIAL STATEMENTS
as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

NORTHEAST ALBERTA COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities
Northeast Alberta Community Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities Northeast Alberta Community Board as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

Excluded costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $436,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northeast Alberta Community Board as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

AUDITOR GENERAL Alberta

Persons with Developmental Disabilities
Northeast Alberta Community Board
Statement of Operations
For the year ended March 31, 2000

(in $000's)

	2000		1999
	Budget	Actual	Actual
	(Schedule 2)		(Note 8)
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	12,905	13,541	12,387
	12,905	13,541	12,387
Expenses			
Board Governance	139	103	86
Individual Funding Program	5,882	5,443	5,298
Contracted Services Program	6,001	6,351	5,514
Support to Community Services	883	1,050	845
	12,905	12,947	11,743
Net Operating Results before Transfer	-	594	644
Transfer To Persons with Developmental Disabilities Provincial Board (Note 2)	-	(644)	-
Net Operating Results	-	(50)	644

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Northeast Alberta Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s)	
	2000	1999
Operating Transactions		
Net Operating Results	(50)	644
Decrease (Increase) in Accounts Receivable	(863)	(1,287)
Decrease (Increase) in Advances	1	(2)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	266	645
Decease in Cash and Bank Overdraft at end of year	(646)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Northeast Alberta Community Board
Statement of Financial Position
As at March 31, 2000

	(in $000's) 2000	1999
Assets		
Accounts Receivable (Note 3)	2,150	1,287
Advances	1	2
	2,151	1,289
Liabilities		
Bank Overdraft (Note 2)	646	-
Accounts Payable and Accrued Liabilities	911	645
	1,557	645
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	644	-
Net Operating Results	(50)	644
Net Assets (Liabilities), End of Year	594	644
	2,151	1,289

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Northeast Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Northeast Community Board (the Community Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Community Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act.*

The purpose of the Community Board is to assist people with developmental disabilities, in the Northeast Region, to live valued and meaningful lives with dignity and self-worth in safe, caring, and supporting communities of their choice.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Community Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

The Community Board was accountable to the Minister of Family and Social Services through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). As a result of the government reorganization announced on May 25, 1999, the Community Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Community Board's operations.

Certain expenses, primarily for legal advice, and banking services, incurred on behalf of the Community Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Northeast Alberta Community Board for

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

the year ended March 31, 2000 were $109. Comparable costs are not available for the year ended March 31, 1999.

Information technology, communications, financial and human resources were provided to the Community Board by the Department of Human Resources and Employment through and arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the Northeast Alberta Community Board were $327 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfer to Persons with Developmental Disabilities Provincial Board

The nature of the transfer is to provide funding to the Provincial Board from the Community Board, as approved by the Department of Health and Wellness. This transfer eliminates the Community Board's 1998/99 surplus.

Assets

Financial assets of the Community Board are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities represent all financial claims payable by the Community Board at fiscal year end. In March 2000, funds were withdrawn from the Northeast Alberta Community Board Bank Account to cover payments made on its behalf. The bank account was not replenished until early April 2000 thus creating this bank overdraft. The Northeast Alberta Community Board did not enter into any lending arrangements nor pay interest on this overdraft.

Net Assets

Net assets represents the difference between the value of assets held by the Community Board and its liabilities.

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$2,150	-	$2,150	$1,287

Persons with Developmental Disabilities
Northeast Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 3 Accounts Receivable (continued)

Accounts Receivable are unsecured and non-interest bearing. The balance represents a receivable from the Provincial Board of $2,150 (1999 - $1,287).

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 5 Commitments

As at March 31, 2000, the Community Board has the following commitments:

(a) The Community Board leases certain equipment under operating leases. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2001	$2

b) The Community Board has also signed a number of contracts with agencies for the provision of a variety of services. These contracts can be cancelled by either party with one-month notice. The committed amount is therefore only for the month of April 2000 and amounts to $497. If these contracts were left in place for the entirety of the 2001 fiscal year this would amount to $5,963 and $401 for the 2002 fiscal year.

Note 6 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 7 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Community Board.

Persons with Developmental Disabilities
Northeast Alberta Community Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

(in $000's)

	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	838	783	731
Supplies and Services	6,143	6,721	5,444
Grants	5,924	5,443	5,568
Total Expenses	12,905	12,947	11,743

(a) Manpower costs relate to employees seconded to the Community Board from the Department of Health and Wellness and are not employees of the Community Board.

Persons with Developmental Disabilities
Northeast Alberta Community Board
Schedule to Financial Statements
Budget
For the year ended March 31, 2000

Schedule 2

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary	Increases from Department (a)	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	12,905	(528)	12,377	738	426	13,541
	12,905	(528)	12,377	738	426	13,541
Expenses						
Board Governance	139	-	139	(30)	-	109
Individual Funding Program	5,882	-	5,882	145	71	6,098
Contracted Services Program	6,001	(528)	5,473	500	342	6,315
Support to Community Services	883	-	883	123	13	1,019
	12,905	(528)	12,377	738	426	13,541
Total Expenses	12,905	(528)	12,377	738	426	13,541
Net Operating Results	-	-	-	-	-	-

(a) Additional funding provided by the Department of Health and Wellness to cover additional operating costs for fiscal year.

Persons with Developmental Disabilties
Northeast Alberta Community Board
Salary and Benefits Disclosure
For the year ended March 31, 2000
(In thousands)

Schedule 3

	2000			1999
	Payments	Contributions	Total	Total
Chairman of the Board (a)	$ 12,063	$ -	$ 12,063	$ 11,436
Board Members (8 members) (a)	38,219	-	38,219	18,998
Chief Executive Officer (b)	83,593	12,615	96,208	89,415

a. These amounts represent honoraria payments made to the Chair and Members of the Northeast Alberta Community Board.

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Northeast Alberta Community Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
Northwest Alberta Community Board
FINANCIAL STATEMENTS
as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

NORTHWEST ALBERTA COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

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AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities
Northwest Alberta Community Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities Northwest Alberta Community Board as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

Excluded costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $341,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northwest Alberta Community Board as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

AUDITOR GENERAL
Alberta

Persons with Developmental Disabilities
Northwest Alberta Community Board
Statement of Operations
For the year ended March 31, 2000

	(in $000's)		
	2000		1999
	Budget (Schedule 2)	Actual	Actual
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	9,334	10,206	8,951
Expenses			
Board Governance	139	90	134
Individual Funding Program	4,001	5,135	3,816
Contracted Services Program	4,511	4,109	4,175
Support to Community Services	683	872	649
	9,334	10,206	8,774
Net Operating Results before Transfer	-	-	177
Transfer To Persons with Developmental Disabilities Provincial Board (Note 2)	-	(177)	-
Net Operating Results	-	(177)	177

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s) 2000	1999
Operating Transactions		
Net Operating Results	(177)	177
Decrease (Increase) in Accounts Receivable	(661)	(520)
Decrease (Increase) in Advances	(1)	(1)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	395	344
Decrease in Cash and Bank Overdraft at end of year	(444)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Statement of Financial Position
As at March 31, 2000

	2000 (in $000's)	1999 (in $000's)
Assets		
Accounts Receivable (Note 3)	1,181	520
Advances	2	1
	1,183	521
Liabilities		
Bank Overdraft (Note 2)	444	-
Accounts Payable and Accrued Liabilities	739	344
	1,183	344
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	177	-
Net Operating Results	(177)	177
Net Assets (Liabilities), End of Year	-	177
	1,183	521

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Northwest Community Board (the Community Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Community Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

The vision of the Community Board is persons with developmental disabilities as leaders and partners in the delivery of dynamic integrated services in a fully involved caring community.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Community Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

The Community Board was accountable to the Minister of Family and Social Services through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). As a result of the government reorganization announced on May 25, 1999, the Community Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Community Board's operations.

Note 2 **Summary of Significant Accounting Policies and Reporting Practices** (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Certain expenses, primarily for legal advice and banking services, incurred on behalf of the Community Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Northwest Alberta Community Board for the year ended March 31, 2000 were $104. Comparable Costs are not available for the year ended March 31, 1999.

Information technology consulting, communications, financial and human resources were provided to the Community Board by the Department of Human Resources and Employment through and arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the Northwest Alberta Community Board were $237 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfers To Persons with Developmental Disabilities Provincial Board

The nature of the transfer is to provide additional funding to the Provincial Board from the Community Board to eliminate the Community Board's 1998/99 surplus as approved by the Minister of Health and Wellness.

Assets

Financial assets of the Community Board are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities represent all financial claims payable by the Community Board at fiscal year end. In March 2000, funds were withdrawn from the Community Board Bank Account to cover payments made on its behalf. The bank account was not replenished until April 2000 thus creating this bank overdraft. The Community Board did not enter into any lending arrangement nor pay interest on this overdraft.

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Community Board and its liabilities.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In thousands)

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$1181	-	$1181	$520

Accounts receivable are unsecured and non-interest bearing. The balance includes a receivable from the Provincial Board of $921 (1999 - $520) and the Ministry of Children's Services of $260.

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 5 Commitments

As at March 31, 2000, the Community Board has the following commitments:

Service contracts	$260
Long-term leases [(a)]	24
Total	$284

(a) The Community Board leases certain equipment under operating leases that expire on various dates to 2003. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2001	$14
2002	$8
2003	$2

Note 6 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 7 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Community Board.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Expense Detailed by Object
For the period ended March 31, 2000

Schedule 1

(in $000's)

	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	607	665	571
Supplies and Services	4,726	4,407	4,333
Grants	4,001	5,134	3,870
Total Expenses	9,334	10,206	8,774

(a) Manpower costs relate to employees seconded to the Community Board from the Department of Health and Wellness and are not employees of the Community Board.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Budget
For the year ended March 31, 2000

Schedule 2

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary	Increases from Department (a)	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	9,334	(439)	8,895	422	889	10,206
Expenses						
Board Governance	139	-	139	-	(64)	75
Individual Funding Program	4,001	-	4,001	422	507	4,930
Contracted Services Program	4,511	(439)	4,072	-	299	4,371
Support to Community Services	683	-	683	-	147	830
	9,334	(439)	8,895	422	889	10,206
Net Operating Results	-	-	-	-	-	-

(a) Additional funding provided by the Department of Health and Wellness to cover additional operating costs for the fiscal year.

Persons with Developmental Disabilities
Northwest Alberta Community Board
Disclosure of Payments to Executives
For the Year Ended March 31, 2000

Schedule 3

	2000			1999
	Payments	Contributions	Total	Total
Chair of the Board (a)	$ 17,831	$ -	$ 17,831	$ 11,891
Board Members (8 members) (a)	41,385	-	41,385	26,055
Chief Executive Officer (b)	73,081	12,418	85,499	81,665

a. These amounts represent honoraria payments made to the Chair and Members of the Community Board.

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Community Board under an arrangement with the Department Of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
Edmonton Community Board
FINANCIAL STATEMENTS
as at March 31, 2000

EDMONTON COMMUNITY BOARD FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

FINANCIAL STATEMENTS

MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Edmonton Community Board for Persons with Developmental Disabilities and the Minister of Health and Wellness

I have audited the statement of financial position of the Edmonton Community Board for Persons with Developmental Disabilities as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

Excluded costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $2,745,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Edmonton Community Board for Persons with Developmental Disabilities as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

Persons with Developmental Disabilities
Edmonton Community Board
Statement of Operations
For the year ended March 31, 2000

	(in $000's) 2000 Budget (Schedule 2)	2000 Actual	1999 Actual
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	77,812	80,754	74,687
Expenses			
Board Governance	85	74	86
Individual Funding Program	31,095	37,454	33,252
Contracted Services Program	31,545	30,675	27,427
Support to Community Services	2,583	2,186	2,017
Operated Facilities	12,504	10,364	12,838
	77,812	80,753	75,620
Net Operating Results before Transfer	-	1	(933)
Transfer From Persons with Developmental Disabilities Provincial Board (Note 2)	-	932	-
Net Operating Results	-	933	(933)

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Edmonton Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s) 2000	1999
Operating Transactions		
Net Operating Results	933	(933)
Non Cash Items		
Amortization	2	-
	935	(933)
Decrease(Increase) in Accounts Receivable	(6,303)	(2,414)
Increase(Decrease) in Accounts Payable and Accrued Liabilities	1,043	3,364
Cash Provided (Used) by Operating Transactions	(4,325)	17
Investing Transactions		
Purchase of Capital Assets	-	(17)
Cash Provided (Used) by Investing Transactions	-	(17)
Decrease in Cash and Bank Overdraft at end of year	(4,325)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities Edmonton Community Board
Statement of Financial Position
As at March 31, 2000

	(in $000's) 2000	1999
Assets		
Accounts Receivable (Note 3)	8,717	2,414
Capital Assets (Note 5)	15	17
	8,732	2,431
Liabilities		
Bank Overdraft (Note 2)	4,325	-
Accounts Payable and Accrued Liabilities	4,407	3,364
	8,732	3,364
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(933)	-
Net Operating Results	933	(933)
Net Assets (Liabilities), End of Year	-	(933)
	8,732	2,431

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Edmonton Community Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Edmonton Community Board (the Community Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Community Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act.*

Through advocacy and service, the Community Board helps adults with developmental disabilities to live, as independently as possible, within the community.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Community Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

The Community Board was accountable to the Minister of Family and Social Services through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). As a result of the government reorganization announced on May 25, 1999, the Community Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Community Board's operations. Expenses include amortization of capital assets.

Certain expenses, primarily for legal advice and banking services, incurred on behalf of the Community Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Edmonton Community Board for the year ended March 31, 2000 were $772. Comparable Costs are not available for the year ended March 31, 1999.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Information technology, communications, financial and human resources were provided to the Community Board by the Department of Human Resources and Employment through an arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the Edmonton Community Board were $1,973 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfers From Persons with Developmental Disabilities Provincial Board.

The nature of the transfer is to provide additional funding from the Provincial Board to the Community Board to eliminate the Community Boards' 1998/99 deficits as approved by the Minister of Health and Wellness.

Assets

Financial assets of the Community Board are limited to financial claims, such as receivables from other organizations.

Capital assets of the Community Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100 and the threshold for all other capital assets is $15.

Liabilities

Liabilities represent all financial claims payable by the Community Board at fiscal year end.
In March 2000, funds were withdrawn from the Community Board Bank Account to cover payments made on its behalf. The bank account was not replenished until early April 2000 thus creating this bank overdraft. The Community Board did not enter into any lending arrangement nor pay interest on this overdraft.

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the value of assets held by the Community Board and its liabilities.

Edmonton Community Board
For Persons with Developmental Disabilities
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$8,717	-	$8,717	$2,414

The balance includes a receivable from the Provincial Board of $8,717 (1999 - $2,414).

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 5 Capital Assets

	2000				1999
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 years	$17	$2	$15	$17

Note 6 Commitments

As at March 31, 2000, the Community Board has the following commitments:

	2000	1999
Service contracts	$4,172	$4,447

Note 7 Trust Funds Under Administration

The Community Board administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Community Boards financial statements.

As at March 31, 2000 trust funds under administration were as follows:

	2000	1999
Donation to clients	$ 3	$ 4
Deposit to clients	58	54
	$61	$58

Persons with Developmental Disabilities
Edmonton Community Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 8 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 9 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Community Board.

Persons with Developmental Disabilities
Edmonton Community Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

	(in $000's)		
	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	11,240	11,240	13,483
Supplies and Services	32,070	32,057	28,885
Grants	34,502	37,454	33,252
Amortization of Capital Assets	-	2	-
Total Expenses	77,812	80,753	75,620

(a) Manpower costs relate to employees seconded to the Community Board from the Department of Health and Wellness and are not employees of the Community Board.

Persons with Developmental Disabilities
Edmonton Community Board
Schedule to Financial Statements
Budget
For the year ended March 31, 2000

Schedule 2

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary	Increases from Department	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	77,812	(3,407)	74,405	4,107	2,242	80,754
Expenses						
Board Governance	85	-	85	-	-	85
Individual Funding Program	31,095	-	31,095	4,107	2,242	37,444
Contracted Services Program	31,545	(870)	30,675	-	-	30,675
Support to Community Services	2,583	(397)	2,186	-	-	2,186
Operated Facilities	12,504	(2,140)	10,364	-	-	10,364
	77,812	(3,407)	74,405	4,107	2,242	80,754
Net Operating Results	-	-	-	-	-	-

Edmonton Community Board
For Persons with Developmental Disabilities
Disclosure of Payments to Executives
For the year Ended March 31, 2000

Schedule 3

	2000			1999
	Payments	Contributions	Total	Total
Chair of the Board (a)	20,639	-	20,639	19,376
Board Members (7 members) (a)	53,502	-	53,502	44,830
Chief Executive Officer (b)	88,235	4,245	92,480	84,700

a. These amounts represent honoraria payments made to the Chair and Members of the Community Board.

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Community Board under an arrangement with the Department Of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
Central Alberta Community Board
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as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

CENTRAL ALBERTA COMMUNITY BOARD

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MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities Central Alberta Community Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities Central Alberta Community Board as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

Excluded direct costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $1,204,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Central Alberta Community Board as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

AUDITOR
GENERAL
Alberta

Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Operations
For the year ended March 31, 2000

	(in $000's) 2000 Budget (Schedule 2)	2000 Actual	1999 Actual
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	38,866	41,455	37,014
Expenses			
Board Governance	-	95	80
Individual Funding Program	-	13,968	13,391
Contracted Services Program	-	25,795	22,570
Support to Community Services	-	1,597	1,490
	38,866	41,455	37,531
Net Operating Results before Transfer	-	-	(517)
Transfer From Persons with Developmental Disabilities Provincial Board (Note 2)	-	517	-
Net Operating Results	-	517	(517)

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s) 2000	1999
Operating Transactions		
Net Operating Results	517	(517)
Decrease (Increase) in Accounts Receivable	(2,509)	(894)
Increase in Accounts Payable and Accrued Liabilities	581	1,411
Decrease in Cash and Bank Overdraft at end of year	(1,411)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Financial Position
As at March 31, 2000

	(in $000's) 2000	1999
Assets		
Accounts Receivable (Note 3)	3,403	894
Liabilities		
Bank Overdraft (Note 2)	1,411	
Accounts Payable and Accrued Liabilities	1,992	1,411
	3,403	1,411
Net assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(517)	-
Net Operating Results	517	(517)
Net Assets (Liabilities), End of Year	-	(517)
	3,403	894

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Central Alberta Community Board (the Community Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Community Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

Alberta Health and Wellness, through the Persons with Developmental Disabilities Central Alberta Community Board provides supports to enable adults with developmental disabilities, with the help of their family and friends, to live, work and participate in their community as valued citizens. This is done through Community Living, Respite, and Community Participation Supports which are provided through contracted services or the Individual Funding Program.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Community Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

The Community Board was accountable to the Minister of Family and Social Services through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). As a result of the government reorganization announced on May 25, 1999, the Community Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting..

Expenses

Expenses represent the costs of resources consumed during the year on the Community Board's operations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Certain expenses, primarily for legal advice and banking services, incurred on behalf of the Community Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Central Alberta Community Board for the year ended March 31, 2000 were $217. Comparable Costs are not available for the year ended March 31, 1999.

Information technology, communications, financial and human resources were provided to the Community Board by the Department of Human Resources and Employment through and arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the Central Alberta Community Board were $987 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfers From Persons with Developmental Disabilities Provincial Board

The nature of the transfer is to provide additional funding from the Provincial Board to the Community Boards to eliminate the Community Boards' 1998/99 deficit as approved by the Minister of Health and Wellness.

Assets

Financial assets of the Community Board are limited to financial claims, such as receivables from other organizations.

The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000.

Liabilities

In March 2000, funds were withdrawn from the Central Alberta Community Board Bank Account to cover payments made on its behalf. The bank account was not replenished until early April 2000 thus creating this bank overdraft. The Central Alberta Community Board did not enter into any lending arrangement nor pay interest on this overdraft.

Liabilities represent all financial claims payable by the Community Board at fiscal year end.

Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In thousands)

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Community Board and its liabilities.

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$1,992	$ -	$1,992	$894

The balance includes a receivable from the Provincial Board of $2,951 (1999 - $894) and the Ministry of Children's Services of $450.

Accounts receivable are unsecured and non-interest bearing.

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 5 Commitments

As at March 31, 2000, the Community Board has the following commitments:

	2000
Service Contracts	$ 327

Note 8 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 9 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Community Board.

Persons with Developmental Disabilities
Central Alberta Community Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

	(in $000's)		
	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	-	1,445	1,334
Supplies and Services	-	26,042	22,806
Grants	-	13,968	13,391
Total Expenses	38,866	41,455	37,531

(a) Manpower costs relate to employees seconded to the Community Board from the Department of Health and Wellness and and are not employees of the Community Board.

Persons with Developmental Disabilities
Central Alberta Community Board
Schedule to Financial Statements
Budget
For the year ended March 31, 2000

Schedule 2

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary	Increases from Department (a)	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	38,866	(1,345)	37,521	2,946	988	41,455
Expenses						
Board Governance	-	-	-	-	-	95
Individual Funding Program	-	-	-	-	-	13,968
Contracted Services Program	-	-	-	-	-	25,795
Support to Community Services	-	-	-	-	-	1,597
	38,866	(1,345)	37,521	2,946	988	41,455
Net Operating Results	-	-	-	-	-	-

(a) Additional funding provided by the Department of Health and Wellness to cover additional operating costs for the fiscal year.

Persons with Developmental Disabilities
Central Alberta Community Board
Disclosure of Payments to Executives
For the Year Ended March 31, 2000

Schedule 3

	2000			1999
	Payments	Contributions	Total	Total
Chair of the Board (a)	$ 16,348	$ -	$ 16,348	$ 18,561
Board Members (8 members) (a)	49,876		49,876	43,707
Chief Executive Officer (b)	78,066	14,843	92,909	89,858

a. These amounts represent honoraria payments made to the Chair and Members of the Central Alberta Community Board.

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Central Alberta Community Board under an arrangement with the Department Of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
Calgary Region Community Board
FINANCIAL STATEMENTS
as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

CALGARY REGION COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities
Calgary Region Community Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

Excluded direct costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $2,686,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

AUDITOR
GENERAL
Alberta

Persons with Developmental Disabilities
Calgary Region Community Board
Statement of Operations
For the year ended March 31, 2000

	2000		1999
	(in $000's)		
	Budget (Schedule 2)	Actual	Actual
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	62,903	67,517	60,246
	62,903	67,517	60,246
Expenses			
Board Governance	85	79	78
Individual Funding Program	28,996	37,025	24,960
Contracted Services Program	25,342	22,285	28,052
Support to Community Services	2,180	1,930	1,831
Operated Facilities	6,300	6,198	6,287
	62,903	67,517	61,208
Total Expenses	62,903	67,517	61,208
Net Operating Results before Transfer	-	-	(962)
Transfer From Persons with Developmental Disabilities Provincial Board	-	962	-
Net Operating Results	-	962	(962)

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Calgary Region Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s) 2000	1999
Operating Transactions		
Net Operating Results	962	(962)
	962	(962)
Increase in Accounts Receivable	(5,284)	(896)
Decrease in Accounts Payable	1,980	1,858
Decrease in Cash and Bank Overdraft at end of year	(2,342)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Calgary Region Community Board
Statement of Financial Position
As at March 31, 2000

	(in $000's) 2000	1999
Assets		
Accounts Receivable	6,180	896
	6,180	896
Liabilities		
Bank Overdraft (Note 2)	2,342	-
Accounts Payable and Accrued Liabilities	3,838	1,858
	6,180	1,858
Net Assets/(Liabilities)		
Net Liabilities, Beginning of Year	(962)	-
Net Operating Results	962	(962)
Net Assets/(Liabilities), End of Year	-	(962)
	6,180	896

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Calgary Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Calgary Region Community Board (the Community Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Community Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

Through advocacy and service, the Community Board helps adults with developmental disabilities to live, as independently as possible, within the community.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The Community Board was accountable to the Minister of Family and Social Services through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). As a result of the government reorganization announced on May 25, 1999, the Community Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Community Board's operations.

Certain expenses, primarily for legal advice and banking services, incurred on behalf of the Community Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Calgary Region Community Board for the year ended March 31, 2000 were $1,090. Comparable Costs are not available for the year ended March 31, 1999.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Information technology, communications, financial and human resources were provided to the Community Board by the Department of Human Resources and Employment through an arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the Calgary Region Community Board were $1,596 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfers From Persons with Developmental Disabilities Provincial Board.

The nature of the transfer is to provide additional funding from the Provincial Board to the Community Board to eliminate the Community Boards' 1998/99 deficits as approved by the Minister of Health and Wellness.

Assets

Financial assets of the Community Board are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities represent all financial claims payable by the Community Board at fiscal year end. In March 2000, funds were withdrawn from the Community Board Bank Account to cover payments made on its behalf. The bank account was not replenished until early April 2000 thus creating this bank overdraft. The Community Board did not enter into any lending arrangement nor pay interest on this overdraft.

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the value of assets held by the Community Board and its liabilities.

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$6,180	-	$6,180	$896

The balance represents amounts due from the Provincial Board.

Persons with Developmental Disabilities
Calgary Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2000
(In thousands)

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 5 Trust Funds Under Administration

The Community Board administers certain trust funds. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Community Boards financial statements.

As at March 31, 2000 trust funds under administration were as follows:

Client Trust Funds	$ 68

Note 6 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 7 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Community Board.

Note 8 Transfer of Expenditures and Budget to Children's Services

The financial statements include a $1,766 budget transfer from Calgary Region Community Board to Calgary Rocky View Children's Services for services that were previously funded and provided by Calgary Region Community Board that now are the responsibility of Children's Services. This transaction had no impact on the financial results of the Calgary Region Community Board.

Persons with Developmental Disabilities
Calgary Region Community Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

(in $000's)

	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	7,670	7,474	7,435
Supplies and Services	26,237	28,547	27,796
Grants	28,996	31,496	25,977
Total Expenses	62,903	67,517	61,208

a. Manpower costs relate to employees seconded to the Provincial Board from the Department of Health and Wellness and are not employees of the Community Board.

Persons with Developmental Disabilities Calgary Region Community Board
Schedule to Financial Statements

Schedule 2

Budget
For the year ended March 31, 2000

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Amended Budget	Authorized Supplementary	Increases from Department	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	62,903	(1,766)	61,137	2,851	3,529	67,517
	62,903	(1,766)	61,137	2,851	3,529	67,517
Expenses						
Board Governance	85	-	85	(6)	-	79
Individual Funding Program	28,996	-	28,996	3,107	(607)	31,496
Contracted Services Program	25,342	(1,266)	24,076	-	3,738	27,814
Support to Community Services	2,180	-	2,180	(250)	-	1,930
Operated Facilities	6,300	(500)	5,800	-	398	6,198
	62,903	(1,766)	61,137	2,851	3,529	67,517
Total Expenses	62,903	(1,766)	61,137	2,851	3,529	67,517
Net Operating Results	-	-	-	-	-	-

Persons with Developmental Disabilities
Calgary Region Community Board
Disclosure of Payments to Executives
For the Year Ended March 31, 2000

Schedule 3

	Salary (1)	Benefits and Allowances (2)	Total
Chair of the Board	$ 6,005	$ -	$ 6,005
Chair of the Board	3,097	-	3,097
Board Members (8 members)	62,707	-	62,707
Chief Executive Officer	74,963	13,057	88,020

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
South Alberta Board
FINANCIAL STATEMENTS
as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

SOUTH ALBERTA BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities South Alberta Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities South Alberta Board as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across departments and government agencies. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies an exception from generally accepted accounting principles that arises from following the accounting policies established by Alberta Treasury.

The following accounting policy is not in accordance with generally accepted accounting principles:

Excluded direct costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $909,000.

In my opinion, except for the effect of the matter discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities South Alberta Board as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

AUDITOR GENERAL Alberta

Persons with Developmental Disabilities
South Alberta Board
Statement of Operations
For the year ended March 31, 2000

	2000 Budget (Schedule 2)	2000 Actual	1999 Actual
	(in $000's)		
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	29,796	30,845	28,738
Expenses			
Board Governance	103	89	88
Individual Funding Program	14,724	16,485	14,168
Contracted Services Program	14,097	13,345	12,973
Support to Community Services	872	926	819
	29,796	30,845	28,048
Net Operating Results before Transfer	-	-	690
Transfer to Persons with Developmental Disabilities Provincial Board (Note 2)	-	(690)	-
Net Operating Results	-	(690)	690

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
South Alberta Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	2000	1999
	(in $000s)	
Operating Transactions		
Net Operating Results	(690)	690
Decrease (Increase) in Accounts Receivable	227	(1,732)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(50)	1,042
Decrease in Cash and Bank Overdraft at end of year	(513)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
South Alberta Board
Statement of Financial Position
As at March 31, 2000

	(in $000's) 2000	1999
Assets		
Accounts Receivable (Note 3)	1,505	1,732
Liabilities		
Bank Overdraft (Note 2)	513	-
Accounts Payable and Accrued Liabilities	992	1,042
	1,505	1,042
Net Assets		
Net Assets, Beginning of Year	690	-
Net Operating Results	(690)	690
Net Assets, End of Year	-	690
	1,505	1,732

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
South Alberta Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities South Alberta Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act.*

The purpose of the Board is to lead in promoting supports to persons with developmental disabilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Community Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

The Board was accountable to the Minister of Family and Social Services through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). As a result of the government reorganization announced on May 25, 1999, the Board became part of the Ministry of Health and Wellness effective April 1, 1999.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Board's operations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Certain expenses, primarily for legal advice and banking services, incurred on behalf of the Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000. These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the South Alberta Board for the year ended March 31, 2000 were $ 153. Comparable Costs are not available for the year ended March 31, 1999.

Information technology, communications, financial and human resources were provided to the Board by the Department of Human Resources and Employment through an arrangement with the Department of Health and Wellness. These costs are not reflected in the Statement of Operations. The total costs of these expenses incurred by the Department of Health and Wellness on behalf of the South Alberta Board were $ 756 for the year ended March 31, 2000. Comparable costs are not available for the year ended March 31, 1999.

Transfers To Persons with Developmental Disabilities Provincial Board

The nature of the transfer is to provide additional funding to the Provincial Board from the Board to eliminate the Board's 1998/99 surplus as approved by the Minister of Health and Wellness.

Assets

Financial assets of the Board are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities represent all financial claims payable by the Board at fiscal year end. In March 2000, funds were withdrawn from the South Alberta Board Bank Account to cover payments made on its behalf. The bank account was not replenished until early April 2000, thus creating this bank overdraft. The South Alberta Board did not enter into any lending arrangement nor pay interest on this overdraft.

Notes to the Financial Statements
For the Year ended March 31, 2000
(In thousands)

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Net Assets

Net assets represent the difference between the value of assets held by the Board and its liabilities.

Note 3 Accounts Receivable

	2000			1999
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$1,505	$ -	$1,505	$1,732

Accounts receivable are unsecured and non-interest bearing. The balance includes a receivable from the Provincial Board of $ 1,366 (1999 - $ 1,732) and the Ministry of Children's Services of $ 139.

Note 4 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 5 Commitments

As at March 31, 2000, the Board has the following commitments:

	2000
Service contracts	3,641

Note 6 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 7 Approval of Financial Statements

The financial statements were prepared by management and approved by the Chief Executive Officer and the Board.

Persons with Developmental Disabilities
South Alberta Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

(in $000's)

	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	750	807	743
Supplies and Services	14,322	13,663	13,136
Grants	14,724	16,375	14,169
Total Expenses	29,796	30,845	28,048

(a) Manpower costs relate to employees seconded to the Board from the Department of Health and Wellness and are not employees of the Board

Persons with Developmental Disabilities
South Alberta Board
Schedule to Financial Statements
Budget
For the year ended March 31, 2000

Schedule 2

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary	Increases from Department [a]	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	29,796	(509)	29,287	651	907	30,845
Expenses						
Board Governance	103	-	103	-	-	103
Individual Funding Program	14,724	-	14,724	651	853	16,228
Contracted Services Program	14,097	(509)	13,588	-	-	13,588
Support to Community Services	872	-	872	-	54	926
	29,796	(509)	29,287	651	907	30,845
Net Operating Results	-	-	-	-	-	-

(a) Additional funding provided by the Department of Health and Wellness to cover additional operating costs for the fiscal year.

Persons with Developmental Disabilities South Alberta Board
Disclosure of Payments to Executives
For the Year Ended March 31, 2000

Schedule 3

	2000			1999
	Payments	Contributions	Total	Total
Chair of the Board (a)	$ 11,475	$ -	$ 11,475	$ 9,627
Board Members (8 members) (a)	42,837		42,837	47,115
Chief Executive Officer (b)	80,130	4,747	84,877	82,632

a. These amounts represent honoraria payments made to the Chair and Members of the Board

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities
Michener Centre Facility Board
FINANCIAL STATEMENTS
as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES

MICHENER CENTRE FACILITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

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Schedule of Disclosure of Payments to Executives

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Directors of the Michener Centre Facility Board and the Minister of Health and Wellness

I have audited the statement of financial position of the Michener Centre Facility Board as at March 31, 2000 and the statement of operations, and statement of changes in financial position for the year then ended. These financial statements are the responsibility of the Facility Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The following accounting policies are exceptions from generally accepted accounting principles:

Prior period inventories

Note 10 indicates a change in accounting policy for inventory. Since the total cumulative effect of this change on prior periods can be determined, generally accepted accounting principles require an adjustment of the opening net assets of the period in which the change is made. However, no adjustment has been made. The effect of this departure is to understate the net assets at April 1,1999, and the expenses for the year ended March 31, 2000 by approximately $380,000.

The Facility Board is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and the Department of Health and Wellness. My qualified opinion in this auditors' report identifies the following four departures from generally accepted accounting principles that arise from following these accounting policies:

Excluded maintenance fee revenue

The Facility Board levies and collects a fee from certain residents as a contribution towards the program operated by the Board. This revenue is not recognized in the accompanying financial statements. The effect of not recognizing this revenue is to understate maintenance fee revenues and to overstate the grant from the Provincial Board by approximately $1,185,000.

Accrued vacation payable

Obligations for employee vacation and overtime pay for employees assigned to the Facility Board has not been recorded as a liability in the accompanying statement of financial position and the related expense for the annual change in the liability has not been recognized in the statement of operations. The effect of not recognizing the annual change in the liability is to overstate expenses by approximately $585,000.

Excluded costs

Certain costs incurred in the operation of the Board have not been included in expenses. The departments that paid the expenses on behalf of the Board record these costs, which include accommodation, and services such as financial and human resource management, and legal advice. Significant excluded direct costs amount to approximately $4,398,000.

Capital assets expensed

Computer equipment costing $202,000 has been charged to income. Generally accepted accounting principles require that assets with a useful life beyond one year be capitalized and amortized over their estimated useful life. The result of this treatment is an understatement of assets and net assets, and an overstatement of expenses by approximately $161,000.

The aggregate effect of the preceding matters on expenses is to understate them by approximately $4,032,000. The effect on revenue cannot be quantified.

In my opinion, except for the departures from generally accepted accounting principles as described in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Michener Centre Facility Board as at March 31, 2000 and the results of its operations and changes in financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

AUDITOR
GENERAL
Alberta

Edmonton, Alberta
May 15, 2000

Persons with Developmental Disabilities
Michener Centre Facility Board
Statement of Operations
For the year ended March 31, 2000

(in $000's)

	2000 Budget (Schedule 2)	2000 Actual	1999 Actual
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	41,467	42,529	40,811
Expenses			
Board Governance	139	89	111
Operated Facilities	41,328	42,091	40,700
	41,467	42,180	40,811
Net Operating Results	-	349	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Michener Centre Facility Board
Statement of Changes in Financial Position
For the year ended March 31, 2000

	(in $000s) 2000	1999
Operating Transactions		
Net Operating Results	349	-
Non Cash Item		
Amortization	74	-
	423	-
Decrease (Increase) in Accounts Receivable	(4,216)	(997)
Decrease (Increase) in Inventory	(565)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	1,094	1,040
Cash Provided (Used) by Operating Transactions	(3,264)	43
Investing Transactions		
Purchase of Capital Assets	(348)	(43)
Net Cash Provided (Used)	(3,612)	-
Cash, Beginning of Year	-	-
Bank Overdraft, End of Year (Note 4)	(3,612)	-

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Michener Centre Facility Board
Statement of Financial Position
As at March 31, 2000

	(in $000's) 2000	1999
Assets		
Accounts Receivable (Note 3)	5,213	997
Inventory (Note 10)	565	-
Capital Assets (Note 6)	317	43
	6,095	1,040
Liabilities		
Bank Overdraft (Note 4)	3,612	-
Accounts Payable and Accrued Liabilities	2,134	1,040
	5,746	1,040
Net Assets		
Net Assets, Beginning of Year	-	-
Net Operating Results	349	-
Net Assets, End of Year	349	-
	6,095	1,040

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities
Michener Centre Facility Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In $000s)

Note 1 Authority and Purpose

The Michener Centre Facility Board (the Facility Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Facility Board operates under the authority of the "*Persons with Developmental Disabilities Community Governance Act*" and the "*Government Organization Act*".

The Facility Board provides program, health care services and accommodation in a home environment to adults with developmental disabilities through the operation of facilities located in Red Deer, Alberta and Youngstown, Alberta.

The services provided by the Facility Board are part of an array of services in Alberta available to adults with developmental disabilities. The Facility Board receives funding from the Department of Health and Wellness. Reporting to the Department of Health and Wellness through a Provincial Board, the Facility Board acts in an administrative capacity with respect to the operation and future direction of Michener Centre.

With respect to adults with developmental disabilities who receive services from the Facility, the role of the Facility Board is to determine priorities in the provision of the services, to develop, in accordance with the regulations and subject to the approval of the Provincial Board, a plan for the delivery of services, to oversee and evaluate the implementation of the plan and to manage funding and resources accordingly.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Facility Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

Effective April 1, 1999, as a result of the government reorganization announced on May 25, 1999, the Facility Board became part of the Ministry of Health and Wellness.

Thus, during the year, the Facility Board was accountable to the Ministry of Health and Wellness through the Persons with Developmental Disabilities Provincial Board (the Provincial Board). Previously, the Facility Board was accountable to the Minister of Family and Social Services through the Provincial Board.

Persons with Developmental Disabilities
Michener Centre Facility Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In $000s)

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Revenues
All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Facility Board's operations. Expenses include amortization of capital assets.

Certain expenses, primarily for legal advice and banking services, incurred on behalf of the Facility Board by other Ministries are not reflected in the Statement of Operations.

The associated accommodation estimated cost incurred by the Alberta Infrastructure is based on the actual expenditures as of February 29, 2000 and forecasted to March 31, 2000.

These costs are not reflected in the Statement of Operations. The total accommodation costs incurred by Alberta Infrastructure on behalf of the Facility Board for the year ended March 31, 2000 were $4,399. Comparable costs are not available for the year ended March 31, 1999.

Assets

Financial assets of the Facility Board are limited to financial claims, such as receivables from other organizations, as well as inventories held for consumption.

Inventories are valued at the lower of cost and net realizable value, cost being determined by using the average cost method.

Capital assets of the Facility Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100 and the threshold for all other capital assets is $15.

Liabilities

Liabilities represent all financial claims payable by the Facility Board at fiscal year end.

Net Assets

Net assets represent the difference between the value of assets held by the Facility Board and its liabilites.

Note 3 Accounts Receivable

Accounts receivable is represented by the remaining grant due from the Provincial Board.

Persons with Developmental Disabilities
Michener Centre Facility Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In $000s)

Note 4 Bank Overdraft

In March 2000, funds were withdrawn from the Facility Board bank account to cover payments made on its behalf. The bank account was not replenished until early April 2000 thus creating this bank overdraft. The Facility Board did not enter into any lending arrangement nor pay interest on this overdraft.

Note 5 Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services.

Note 6 Capital Assets Owned by the Facility Board

	2000				1999
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 years	$242	$24	$218	$43
Automotive Equipment	3 years	149	50	99	-
		$391	$74	$317	$43

Note 7 Commitments

As at March 31, 2000, the Facility Board has the following commitments:

	2000	1999
Service contracts (a)	$7,069	$12,397
Long-term leases (b)	440	120
	$7,509	$12,517

(a) The actual amounts are dependent on the usage of service.

(b) The Facility Board leases certain equipment under operating leases that expire on various dates to 2004. The aggregate amount payable for the unexpired terms of these leases are as follows:

2001	$284
2002	52
2003	52
2004	52

Persons with Developmental Disabilities
Michener Centre Facility Board
Notes to the Financial Statements
For the Year ended March 31, 2000
(In $000s)

Note 8 Contingencies

At March 31, 2000, the Facility Board is a defendant in three legal claims that are being dealt with by Alberta Risk Management. At this time, it is not possible to determine the outcome of these claims or the amount of the resulting loss, if any.

Note 9 Trust Funds Under Administration

The Facility Board administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Facility Boards financial statements.

As at March 31, 2000 trust funds under administration were as follows:

	2000	1999
Deposit to clients	$ 702	$ 655
Other trust funds	585	349
	$1,287	$1,004

Note 10 Changes in Accounting Policy - Inventory

The Facility Board changed its accounting policy with respect to inventory effective March 31, 2000. As a result, as at March 31, 2000, inventory in the amount of $565 has been recorded in the Statement of Financial Position. The effect of the change is an increase in Net Operating Results by $565 and decrease in the Supplies and Services' expense by the same amount. 1999 figures have not been restated as prior year inventory costs are not available.

Note 11 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Facility Board.

Persons with Developmental Disabilities
Michener Centre Facility Board
Expense Detailed by Object
For the year ended March 31, 2000

Schedule 1

(in $000's)

	2000		1999
	Budget	Actual	Actual
Manpower Costs (a)	32,869	33,882	32,209
Supplies and Services	8,443	8,069	8,457
Grants	155	155	145
Amortization of Capital Assets	-	74	-
Total Expenses	41,467	42,180	40,811

(a) Manpower costs relate to employees seconded to the Facility Board from the Department of Health and Wellness and are not employees of the Facility Board.

Persons with Developmental Disabilities
Michener Centre Facility Board
Schedule to Financial Statements
Budget
For the year ended March 31, 2000

Schedule 2

(in $000's)

	1999-2000 Original Budget	Transfers of Responsibility	1999-2000 Budget	Authorized Supplementary	Increases from Department (a)	1999-2000 Authorized Budget
Revenue						
Grant from Persons with Developmental Disabilities Provincial Board	41,467	-	41,467	-	1,062	42,529
Expenses						
Board Governance	139	-	139	-	-	139
Operated Facilities	41,328	-	41,328	-	713	42,041
	41,467	-	41,467	-	713	42,180
Net Operating Results	-	-	-	-	349	349
Capital Investments	16	-	16	-	333	349

(a) Additional funding provided by the Department of Health and Wellness to cover additional operating costs for the fiscal year.

Persons with Developmental Disabilities
Michener Centre Facility Board **Schedule 3**
Disclosure of Payments to Board Members and Senior Executives
For the Year Ended March 31, 2000

	2000			1999
	Payments	Contributions	Total	Total
Chair of the Board (a)	$21,916	$170	$22,086	$25,734
Board Members (8 members) (a)	$37,548	$377	$37,925	$50,631
Chief Executive Officer (b)	$94,801	$15,832	$110,633	$127,483

a. These amounts represent honoraria payments made to the Chair and Members of the Michener Centre Facility Board.

b. These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is seconded to the Michener Centre Facility Board under an arrangement with the Department Of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

Persons with Developmental Disabilities Foundation

FINANCIAL STATEMENTS

as at March 31, 2000

PERSONS WITH DEVELOPMENTAL DISABILITIES FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Statement of Operations and Changes in Fund Balances

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Disclosure of Payments to Board and Executives

AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Board of Trustees of the Persons with Developmental Disabilities Foundation and the Minister of Health and Wellness

I have audited the statement of financial position of the Persons with Developmental Disabilities Foundation as at March 31, 2000 and the statements of operations and changes in fund balances and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Foundation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Foundation as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

Persons with Developmental Disabilities Foundation

STATEMENT OF OPERATIONS and CHANGES IN FUND BALANCES

For the year ended March 31, 2000

	2000			1999		
	Endowment fund	General fund	Total	Endowment fund	General fund	Total
Revenues:						
Government Grants (note 5)	-	270,000	**270,000**	2,500,000	270,000	**2,770,000**
Investment income (note 6)	-	476,792	**476,792**	-	14,137	**14,137**
Other/donations	2,490	-	**2,490**	-	9,000	**9,000**
Contributed supplies and services (note 7)	-	80,000	**80,000**	-	80,000	**80,000**
	2,490	826,792	**829,282**	2,500,000	373,137	**2,873,137**
Expenses:						
Foundation operations	-	96,815	**96,815**	-	110,810	**110,810**
Investment costs	-	13,378	**13,378**	-	-	**-**
Foundation salaries	-	200,573	**200,573**	-	155,329	**155,329**
Contributed supplies and services (note 7)	-	80,000	**80,000**	-	80,000	**80,000**
	-	390,766	**390,766**	-	346,139	**346,139**
Excess of revenue over expense	2,490	436,026	**438,516**	2,500,000	26,998	**2,526,998**
Fund balances, beginning of period	2,500,000	277,691	**2,777,691**	-	250,693	**250,693**
Fund balances, end of period	2,502,490	713,717	**3,216,207**	2,500,000	277,691	**2,777,691**

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities Foundation

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended March 31, 2000

	2000	1999
Operating transactions:		
Net operating results	$ 436,026	$ 26,998
Non cash items included in Net Operating Results:		
Loss on sale of investments	55,150	-
Increase / (decrease) in non-cash working capital	(3,697)	256,869
	487,479	283,867
Financing Activities		-
Endowments contributions	2,490	2,500,000
	2,490	2,500,000
Investing Activities		
(Increase) / decrease in accounts receivable	2,500,000	(2,500,000)
Investment purchases	(3,031,060)	(250,000)
Proceeds on sale of investment	250,000	-
	(281,060)	(2,750,000)
Net increase in cash and short term investments	208,909	33,867
Cash and short term investments, beginning of year	33,867	-
Cash and short term investments, end of year	$ 242,776	$ 33,867

The accompanying notes and schedule are part of these financial statements.

Persons with Developmental Disabilities Foundation

STATEMENT OF FINANCIAL POSITION

As at March 31, 2000

	2000			1999		
	Endowment fund	General fund	**Total**	Endowment fund	General fund	**Total**
Assets:						
Current						
Cash and short term investments (note 8)	-	242,776	**242,776**	-	33,867	**33,867**
Accounts receivable	-	-	**-**	2,500,000	1,093	**2,501,093**
Prepaid expenses	-	3,201	**3,201**	-	2,025	**2,025**
Non-current						
Long term investments (note 8)	2,502,490	473,420	**2,975,910**	-	250,000	**250,000**
	2,502,490	719,397	**3,221,887**	2,500,000	286,985	**2,786,985**
Liabilities:						
Accounts payable and accrued liabilities		5,680	**5,680**	-	9,294	**9,294**
	-	5,680	5,680	-	9,294	**9,294**
Fund balances:						
Restricted (note 4)	2,502,490	-	**2,502,490**	2,500,000	-	**2,500,000**
Unrestricted	-	713,717	**713,717**	-	277,691	**277,691**
	2,502,490	713,717	**3,216,207**	2,500,000	277,691	**2,777,691**
	2,502,490	**719,397**	**3,221,887**	**2,500,000**	**286,985**	**2,786,985**

The accompanying notes and schedules are part of these financial statements.

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the Year Ended March 31, 2000

NOTE 1 AUTHORITY

The Persons with Developmental Disabilities Foundation (the Foundation) is a non-taxable crown corporation that operates under the authority of the Persons with Developmental Disabilities Foundation Act and the Government Organization Act.

NOTE 2 PURPOSE

The purpose of the Foundation is to undertake, support and promote activities that will enhance the quality of life of persons with developmental disabilities in Alberta. In carrying out its purposes, the Foundation may, subject to the regulations, solicit and raise funds for capital projects, pilot projects or research.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments and agencies. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Foundation, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

(b) Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, prepaid expenses and accounts payable and accrued liabilities are estimated to approximate their book value.

(c) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Endowment Funds report resources contributed for endowment.

(d) Revenue Recognition

Contributions related to general operations are recognized as revenue of the General Fund in the year in which related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

> Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on resources of the Endowment Funds are reported in the General Fund.

Contributions for endowment are recognized as revenue in the Endowment Fund when received.

Assets

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities include all financial claims payable by the Foundation at fiscal year end.

NOTE 4 RESTRICTED FUNDS

Contributions to the endowment fund have been externally restricted to establish operating and capital endowment funds, the income from which is unrestricted. The Capital fund will be established to fund grants according to the Foundation's purpose. The Operating fund will be established to fund the Foundation's operations.

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the Year Ended March 31, 2000

NOTE 5 RELATED PARTY TRANSACTIONS

(a) The Foundation received $270,000 operating funding for 1999/2000 from the Department of Health and Wellness.

(b) The General Fund paid for investment manager's fees of $13,378.

NOTE 6 INVESTMENT INCOME

Investment income	$531,942
Loss on sale of investments	(55,150)
	$476,792

NOTE 7 CONTRIBUTED SUPPLIES AND SERVICES

(a) The Foundation received accommodation and capital assets from the Government of Alberta at no cost but had an estimated value of $80,000.

(b) Volunteers contribute approximately 1000 hours per year to assist the Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the Year Ended March 31, 2000

NOTE 8 CASH AND INVESTMENTS

	2000			1999		
	Cost	Market	Yield to Market	Cost	Market	Yield to Market
Cash	$ 242,164	$ 242,164	-	$ 13,593	$ 13,593	-
Mutual Funds:						
Money market fund	612	612	5.67%	20,274	20,274	4.25%
Bond fund	2,975,910	2,533,403	6.54%	250,000	252,220	6.43%
Total cash and investments	3,218,686	2,776,179		283,867	286,087	
Held as non-current	2,975,910			250,000		
Held as current assets	242,776			33,867		

NOTE 9 BUDGET

The following 1999-2000 budget was approved by the Board of Trustees on September 21, 1999:

	(000's) Actual	Budget
Revenue	$827	$278
Supplies and Services	190	195
Salaries and Benefits	201	229
Total Expense	391	424
Excess (deficiency) of revenue over expense	$436	$(146)

NOTE 10 COMPARATIVE FIGURES

Certain 1999 comparative figures have been reclassified to conform to 2000 presentation

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Trustees of the Foundation.

DISCLOSURE OF PAYMENTS TO BOARD AND EXECUTIVES

For the year ended March 31, 2000

Schedule 1

	2000			1999
	Honoraria and salaries (1)	Benefits (2)	Total	Total
Chair	3,755	-	3,755	5,025
Board of trustees	7,670	-	7,670	16,650
	11,425	-	11,425	21,675
Chief Executive officer	78,375	14,108	92,483	88,500
Director of Grants, Finance and Administration	44,589	7,134	51,723	37,647
Director of Fund Development	27,498	4,400	31,898	-
	150,462	25,642	176,104	126,147
	161,887	25,642	187,529	147,822

(1) Salaries include honoraria payments to board members, including seven Trustees and one Chair

(2) Benefits include the Foundation's share of all employee benefits and contributions or payments made on behalf of employees including vacation pay-outs, pension, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans and professional memberships.

Health Authority Highlights

This section highlights the financial results of the 17 regional health authorities, the Alberta Mental Health Board and the Alberta Cancer Board (the "health authorities"). This section is unaudited.

The health authorities' audited financial statements for the year ended March 31, 2000, were used to compile this section. The statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP), the Ministry's Financial Directive 16 and all subsequent directions from the ministry.

This section includes the following:

Chart I	Health authorities' aggregated revenue by source.
Chart II	Health authorities' aggregated expenses by category.
Table I	Analysis of Operations which shows changes in revenue and expenses from the previous year.
Table II	Financial Summary Statement of Operations, which summarizes the health authorities' operating results.
Table III	Summary Statement of Financial Position and Statement of Cash Flows, which summarizes the health authorities' balance sheets and cash flows.
Table IV	Summary of Other Financial Information.

Financial Results

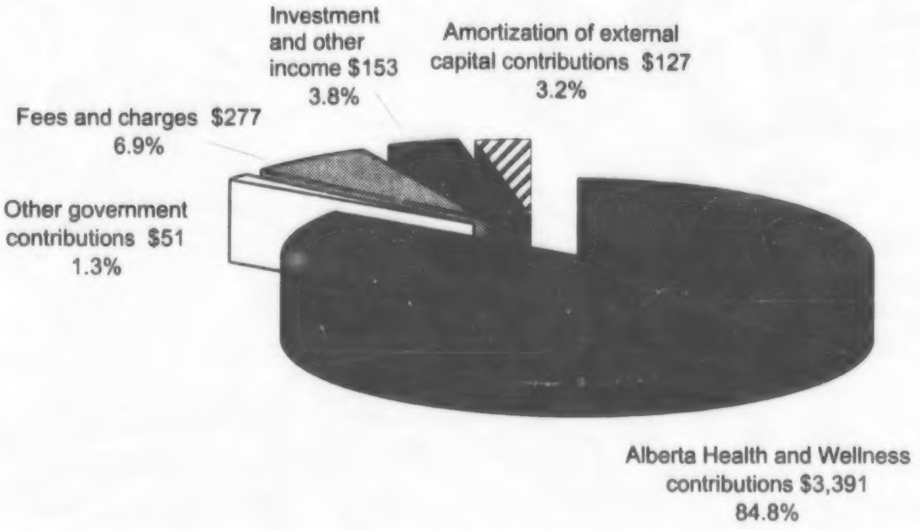
- Total 1999/2000 health authority expense was $3.8 billion (1998/1999 $3.5 billion), representing an increase of $303 million or 8.7% from the prior year (Table I).
- Alberta Health and Wellness provided $3.4 billion to the health authorities in 1999/2000, an increase of 16.2% from the $2.9 billion provided in 1998/1999.
- 1999/2000 Alberta Health and Wellness contributions included $216 million as one-time funds to eliminate the accumulated deficits of seven health authorities and to reward those authorities that have managed within balanced budgets.
- Total 1999/2000 funding also included funding related to the recommendations made by the Long Term Care Review Policy Advisory Committee. Of the total $15 million announced for this initiative, $10.9 million was provided to the health authorities and the balance applied to other related initiatives.

- The health authorities, in aggregate, reported an annual surplus of $197.7 million (1998/1999 deficit of $24.1 million) (Table I). As a result of new one-time funding, 18 of the 19 health authorities reported a surplus in 1999/2000 (Table II).
- Administration costs, which exclude information technology and **alberta we//net** expenses, remained constant at 4.2% of 1999/2000 expenses (4.2% 1998/1999).
- In 1999/2000 the health authorities in total had a working capital ratio (current assets divided by current liabilities) of 1.25, up from 1.01 in 1999.
- Alberta Health and Wellness funding covered 89.2 % of total health authority expenses in 1999/2000, up from 83.4% in the previous year.
- The remaining average useful life of capital equipment in the health authorities at March 31, 2000 was 4.1 years (1999 – 3.8 years) (Table IV).
- The health authorities invested $324.1 million in capital assets (1998/1999 $223.2 million). Of this amount, $272.9 million (1998/1999 166.8 million) was provided by external contributors, such as Alberta Infrastructure, the Lottery Fund and health foundations, while $51.2 million (1998/1999 $56.4 million) was funded from internal resources (Table IV).

Additional Information

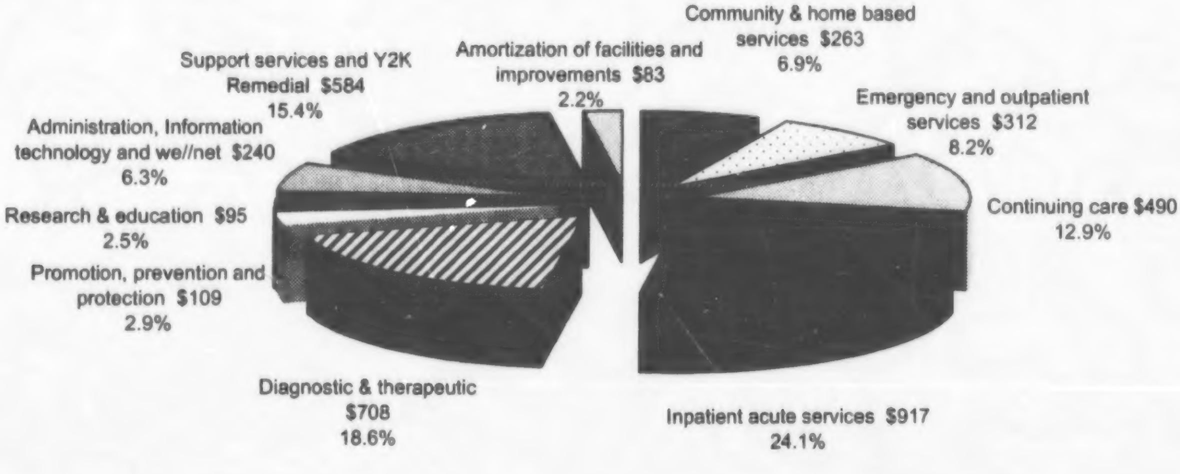
- Copies of each health authority's audited financial statements are included in Section II of the Ministry Annual Report.

Chart I Health Authorities 1999/2000 Actual Revenue ($millions)



TOTAL $3,999

Chart II Health Authorities 1999/2000 Actual Expenses ($millions)



TOTAL $3,801

HEALTH AUTHORITY SUMMARY
ANALYSIS OF OPERATIONS
FOR THE FISCAL YEAR 1999/2000 ENDED MARCH 31, 2000

TABLE I

(Thousands of dollars)

	1999/2000 BUDGET	1999/2000 ACTUAL	% OF TOTAL	CHANGES FROM 1998/1999 $	CHANGES FROM 1998/1999 %	1998/1999 ACTUAL	% OF TOTAL
REVENUE							
Alberta Health and Wellness contributions	3,378,585	3,391,035	84.8%	472,732	16.2%	2,918,303	84.0%
Other government contributions	50,060	51,309	1.3%	9,581	23.0%	41,728	1.2%
Fees and charges	279,086	277,254	6.9%	12,514	4.7%	264,740	7.6%
Ancillary operations, net	14,025	14,950	0.4%	3,233	27.6%	11,717	0.3%
Donations	8,313	10,558	0.3%	607	6.1%	9,951	0.3%
Investment and other income	106,267	127,046	3.2%	15,102	13.5%	111,944	3.2%
Amortization of external capital contributions	124,496	126,742	3.2%	11,120	9.6%	115,622	3.3%
TOTAL REVENUE	3,960,832	3,998,894	100.0%	524,889	15.1%	3,474,005	100.0%
EXPENSE							
Facility-based inpatient acute services	906,573	917,122	24.0%	64,228	7.5%	852,894	24.4%
Facility-based emergency and outpatient services	311,822	312,530	8.2%	28,184	9.9%	284,346	8.1%
Facility-based continuing care services	511,976	490,094	12.9%	33,803	7.4%	456,291	13.0%
Community & home based services	278,460	262,837	6.9%	22,585	9.4%	240,252	6.9%
Diagnostic & therapeutic services	713,396	708,023	18.6%	59,685	9.2%	648,338	18.5%
Promotion, prevention and protection services	110,406	108,648	2.9%	5,056	4.9%	103,592	3.0%
Research & education	88,791	94,174	2.5%	13,689	17.0%	80,485	2.3%
Administration	169,129	159,327	4.2%	11,576	7.8%	147,751	4.2%
Information technology and we//net	74,088	81,277	2.1%	19,484	31.5%	61,793	1.8%
Y2K Remedial costs	18,680	22,645	0.6%	5,937	35.5%	16,708	0.5%
Support services	541,637	561,259	14.8%	36,540	7.0%	524,719	15.0%
Amortization of facilities and improvements	83,628	82,952	2.2%	2,296	2.8%	80,656	2.3%
Capital assets write-down	-	278	0.1%	217	355.7%	61	0.0%
TOTAL EXPENSE	3,808,586	3,801,166	100.0%	303,280	8.7%	3,497,886	100.0%
Excess (deficiency) of revenue over expense before extraordinary items	152,246	197,728		221,609		(23,881)	
Extraordinary item	-	-		242		(242)	
Excess (deficiency) of revenue over expense	152,246	197,728		221,851	(919.7%)	(24,123)	

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 1999/2000 ENDED MARCH 31, 2000
(Thousands of dollars)

TABLE II

	CHINOOK			PALLISER			HEADWATERS			CALGARY		
	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	151,818	152,248	138,874	84,492	84,492	75,566	49,870	49,806	43,364	1,035,605	1,030,183	849,791
Other government contributions	2,363	2,222	2,287	2,135	2,135	2,049	1,816	1,606	1,160	13,052	11,399	7,246
Fees and charges	11,854	12,660	12,116	10,419	10,419	9,976	6,901	7,143	7,001	98,100	88,474	83,852
Ancillary operations, net	336	498	372	274	274	255	-	129	34	9,327	10,303	7,768
Donations	252	313	372	319	319	289	256	297	398	5,271	5,755	5,577
Investment and other income	1,676	3,241	2,608	2,091	2,091	2,048	1,034	1,315	1,341	35,957	33,295	34,398
Amortization of external capital contributions	8,175	7,427	7,325	3,745	3,745	3,725	2,185	2,103	2,097	28,000	32,216	26,812
TOTAL REVENUE	176,474	178,609	163,954	103,475	103,475	93,908	62,062	62,399	55,395	1,225,312	1,211,625	1,015,444
EXPENSE												
Facility-based inpatient acute services	41,179	43,556	42,057	24,162	24,162	22,812	9,720	9,782	8,955	301,786	297,081	270,383
Facility-based emergency and outpatient services	9,841	9,394	8,655	4,124	4,124	3,725	2,399	2,834	2,304	127,066	124,764	116,349
Facility-based continuing care services	33,874	25,228	23,447	16,141	16,141	15,183	9,361	9,357	8,806	151,824	140,529	133,504
Community & home based services	9,437	9,419	8,857	5,362	5,362	4,731	3,963	3,919	3,370	69,247	61,289	52,702
Diagnostic & therapeutic services	28,634	32,008	29,248	17,393	17,393	16,541	9,702	10,097	9,357	247,985	232,457	214,883
Promotion, prevention and protection services	6,093	5,829	5,411	2,691	2,691	2,426	2,647	2,667	2,162	24,918	23,169	26,942
Research & education	-	-	-	-	-	-	-	-	-	14,251	15,548	14,200
Administration	10,745	8,008	7,483	4,696	4,696	4,324	4,172	3,844	3,357	50,370	44,533	36,057
Information technology and we//net	-	3,142	1,513	1,263	1,263	1,182	1,437	751	923	33,968	33,112	26,837
Y2K remedial costs	-	637	1,259	658	658	1,007	255	168	237	8,717	2,084	1,299
Support services	24,659	31,750	30,157	20,130	20,130	19,353	14,415	14,346	12,997	131,730	135,350	123,789
Amortization of facilities and improvements	6,577	5,912	5,884	3,171	3,171	3,164	1,825	1,961	1,959	18,015	18,617	16,711
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	171,039	174,883	163,971	99,791	99,791	94,448	59,896	59,726	54,427	1,179,877	1,128,533	1,033,656
Excess (deficiency) of revenue over expense before extraordinary items	5,435	3,726	(17)	3,684	3,684	(540)	2,166	2,673	968	45,435	83,092	(18,212)
Extraordinary item	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expense	5,435	3,726	(17)	3,684	3,684	(540)	2,166	2,673	968	45,435	83,092	(18,212)

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 1999/2000 ENDED MARCH 31, 2000
(Thousands of dollars)

TABLE II

	REGIONAL HEALTH AUTHORITY 5			DAVID THOMPSON			EAST CENTRAL			WESTVIEW		
	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	41,767	41,770	36,823	156,912	159,482	143,986	112,586	110,958	100,644	49,769	50,098	38,445
Other government contributions	271	294	134	716	1,459	934	5,622	4,883	3,911	1,092	1,032	523
Fees and charges	4,202	4,469	4,421	11,237	12,115	11,497	11,268	11,222	11,195	3,699	3,993	3,851
Ancillary operations, net	-	(73)	(128)	429	521	539	114	78	49	(39)	(155)	(162)
Donations	25	23	18	900	866	990	-	310	164	10	118	-
Investment and other income	327	651	447	3,434	4,902	3,390	1,041	1,537	1,227	10	471	231
Amortization of external capital contributions	1,842	1,780	1,680	6,652	5,114	5,287	4,044	3,826	4,040	1,470	1,196	1,233
TOTAL REVENUE	48,434	48,914	43,395	180,280	184,459	166,623	134,675	132,814	121,230	56,011	56,753	44,121
EXPENSE												
Facility-based inpatient acute services	6,958	6,960	6,422	41,513	43,635	39,665	22,039	22,801	21,719	6,176	6,095	5,671
Facility-based emergency and outpatient services	1,658	1,690	1,557	9,340	9,444	8,560	3,483	3,334	3,158	3,198	3,451	3,116
Facility-based continuing care services	8,931	8,817	8,549	21,574	21,198	19,823	24,744	24,848	23,950	5,185	3,692	3,454
Community & home based services	2,896	2,602	2,291	8,854	8,307	8,794	12,736	12,925	11,108	5,323	5,355	4,966
Diagnostic & therapeutic services	6,735	6,989	6,593	34,037	34,414	31,494	17,853	18,100	17,321	8,483	8,300	8,095
Promotion, prevention and protection services	2,027	2,029	1,763	5,120	5,184	4,940	2,532	2,797	2,685	3,994	4,062	3,422
Research & education	-	-	-	-	-	-	58	65	58	13	-	15
Administration	2,479	2,348	2,063	8,512	8,595	8,285	8,376	8,370	7,908	3,333	3,257	3,069
Information technology and we//net	588	765	613	3,208	3,240	2,257	1,147	1,717	1,097	586	875	132
Y2K remedial costs	137	107	260	-	2,544	2,403	2,972	1,364	961	206	394	273
Support services	11,330	10,951	10,361	35,207	35,940	33,557	31,157	30,712	28,392	11,328	12,180	10,631
Amortization of facilities and improvements	1,420	1,326	1,330	4,674	4,446	4,494	3,275	3,152	3,275	1,080	855	855
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	45,159	44,604	41,802	172,039	176,947	164,272	130,372	130,185	121,632	48,905	48,516	43,699
Excess (deficiency) of revenue over expense before extraordinary items	3,275	4,310	1,593	8,241	7,512	2,351	4,303	2,629	(402)	7,106	8,237	422
Extraordinary item	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expense	3,275	4,310	1,593	8,241	7,512	2,351	4,303	2,629	(402)	7,106	8,237	422

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 1999/2000 ENDED MARCH 31, 2000
(Thousands of dollars)

TABLE II

	CROSSROADS			CAPITAL HEALTH			ASPEN			LAKELAND		
	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	37,508	38,149	32,996	1,084,376	1,100,000	950,786	53,075	53,131	46,648	97,679	96,917	86,066
Other government contributions	250	1,251	260	12,485	12,780	11,401	921	1,774	1,661	2,413	2,454	2,227
Fees and charges	2,386	2,339	2,326	86,791	90,668	85,989	4,988	5,195	4,822	9,211	9,543	9,993
Ancillary operations, net	(74)	(108)	(82)	3,421	3,432	2,882	(100)	(27)	(114)	-	(35)	(79)
Donations	75	122	72	-	-	-	200	241	217	-	410	215
Investment and other income	325	277	358	40,304	51,632	43,006	1,003	1,868	1,201	1,120	1,694	1,140
Amortization of external capital contributions	2,376	2,543	2,378	35,000	35,608	31,738	3,121	2,956	3,102	4,595	4,653	3,993
TOTAL REVENUE	42,846	44,573	38,308	1,262,377	1,294,120	1,125,802	63,208	65,138	57,537	115,018	115,636	103,555
EXPENSE												
Facility-based inpatient acute services	7,892	8,250	8,033	331,728	330,934	314,545	8,995	8,713	8,695	16,509	16,544	15,938
Facility-based emergency and outpatient services	2,521	2,709	2,351	96,517	96,893	87,230	3,239	3,496	3,144	5,589	6,007	6,488
Facility-based continuing care services	4,242	4,433	4,160	174,289	174,760	162,223	10,519	10,307	9,377	22,230	21,784	21,371
Community & home based services	1,689	1,749	1,602	63,841	64,183	59,783	5,324	5,445	5,024	7,796	7,945	7,455
Diagnostic & therapeutic services	7,271	7,304	6,866	230,477	233,872	208,689	9,536	9,855	9,046	17,772	18,333	17,387
Promotion, prevention and protection services	2,078	2,039	1,848	32,209	32,499	27,438	2,749	2,851	2,596	5,464	5,265	5,156
Research & education	-	-	-	60,654	63,264	52,552	-	-	-	-	-	382
Administration	2,476	2,814	2,665	36,599	36,175	35,146	4,093	3,930	4,035	5,675	5,707	7,473
Information technology and well/net	1,702	1,600	1,375	19,000	22,351	15,876	446	420	292	1,002	1,306	981
Y2K remedial costs	-	439	154	-	7,599	5,865	-	807	799	2,702	1,913	541
Support services	8,499	9,667	8,463	142,063	143,595	135,886	12,712	13,964	12,742	21,387	22,716	21,000
Amortization of facilities and improvements	2,212	1,950	2,026	20,001	19,939	20,437	1,966	2,236	1,954	4,229	4,036	3,646
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	40,582	42,954	39,543	1,207,378	1,226,064	1,125,670	59,579	62,024	57,704	110,355	111,556	107,818
Excess (deficiency) of revenue over expense before extraordinary items	2,264	1,619	(1,235)	54,999	68,056	132	3,629	3,114	(167)	4,663	4,080	(4,263)
Extraordinary item	-	-	(242)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expense	2,264	1,619	(1,477)	54,999	68,056	132	3,629	3,114	(167)	4,663	4,080	(4,263)

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 1999/2000 ENDED MARCH 31, 2000
(Thousands of dollars)

TABLE II

	MISTAHIA			PEACE			KEEWEETINOK LAKES			NORTHERN LIGHTS		
	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	78,273	78,122	69,588	21,940	21,955	20,101	18,867	19,034	16,578	27,585	28,029	24,658
Other government contributions	470	476	495	-	20	307	-	371	229	120	204	115
Fees and charges	7,076	7,606	7,292	1,489	1,553	1,524	928	1,124	1,039	2,615	2,765	1,946
Ancillary operations, net	252	336	328	20	56	54	-	141	75	(49)	(30)	(30)
Donations	-	93	130	35	135	-	-	53	166	-	110	136
Investment and other income	1,230	2,151	2,069	743	857	892	632	737	799	258	556	632
Amortization of external capital contributions	5,531	5,136	5,531	1,032	1,036	1,120	764	1,047	996	2,029	2,266	1,818
TOTAL REVENUE	92,832	93,920	85,433	25,259	25,612	23,998	21,191	22,507	19,882	32,558	33,900	29,275
EXPENSE												
Facility-based inpatient acute services	21,158	21,809	20,500	4,547	4,672	4,474	3,170	3,391	3,208	7,585	7,846	7,459
Facility-based emergency and outpatient services	5,658	5,785	5,409	767	836	816	1,446	1,521	1,414	2,637	2,742	2,575
Facility-based continuing care services	7,693	7,867	7,288	3,614	3,736	3,701	1,248	1,116	1,095	1,308	1,332	1,320
Community & home based services	5,628	5,517	4,927	1,532	1,434	1,315	1,247	1,127	1,106	932	955	881
Diagnostic & therapeutic services	16,368	16,662	16,101	3,799	4,166	3,609	3,139	3,179	3,015	6,453	6,560	6,113
Promotion, prevention and protection services	3,419	3,357	3,122	1,581	1,578	1,522	1,703	1,831	1,602	1,820	1,746	1,636
Research & education	74	78	81	68	61	71	-	-	-	-	-	-
Administration	5,822	5,532	5,375	1,582	1,704	1,609	1,244	1,290	1,177	1,779	1,979	1,865
Information technology and wellnet	1,593	1,744	1,786	312	347	255	254	263	189	556	696	483
Y2K remedial costs	1,331	1,180	273	221	213	125	144	350	70	115	622	268
Support services	18,849	19,209	18,624	5,343	5,740	5,682	5,672	6,648	5,917	6,028	5,935	5,557
Amortization of facilities and improvements	4,078	4,187	4,146	974	762	987	764	847	816	1,555	1,770	1,536
Capital assets write-down	-	-	-	-	-	61	-	-	-	-	-	-
TOTAL EXPENSE	91,671	92,927	87,632	24,340	25,249	24,227	20,031	21,563	19,609	30,768	32,183	29,693
Excess (deficiency) of revenue over expense before extraordinary items	1,161	993	(2,199)	919	363	(229)	1,160	944	273	1,790	1,717	(418)
Extraordinary item	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expense	1,161	993	(2,199)	919	363	(229)	1,160	944	273	1,790	1,717	(418)

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 1999/2000 ENDED MARCH 31, 2000

(Thousands of dollars)

	NORTHWESTERN			ALBERTA MENTAL HEALTH BOARD			ALBERTA CANCER BOARD			HEALTH AUTHORITY TOTAL		
	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL	1999/2000 BUDGET	1999/2000 ACTUAL	1998/1999 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	14,457	14,731	12,024	173,877	173,156	150,705	88,129	88,774	80,660	3,378,585	3,391,035	2,918,303
Other government contributions	579	492	439	5,330	6,014	5,921	425	443	429	50,060	51,309	41,728
Fees and charges	318	256	338	2,862	3,467	2,627	2,742	2,243	2,935	279,086	277,254	264,740
Ancillary operations, net	36	(10)	19	(49)	(537)	(200)	127	157	137	14,025	14,950	11,717
Donations	-	5	11	20	51	58	950	1,337	1,138	8,313	10,558	9,951
Investment and other income	97	198	99	3,151	3,441	3,406	11,834	16,132	12,652	106,267	127,046	111,944
Amortization of external capital contributions	1,129	1,179	827	3,826	3,396	3,420	8,980	9,515	8,500	124,496	126,742	115,622
TOTAL REVENUE	16,616	16,851	13,757	189,017	188,988	165,937	113,187	118,601	106,451	3,960,832	3,998,894	3,474,005
EXPENSE												
Facility-based inpatient acute services	3,583	3,699	3,094	37,935	46,667	40,487	9,938	10,525	8,777	906,573	917,122	852,894
Facility-based emergency and outpatient services	302	306	256	7,454	7,097	6,096	24,583	26,103	21,143	311,822	312,530	284,346
Facility-based continuing care services	936	693	418	14,263	14,256	8,622	-	-	-	511,976	490,094	456,291
Community & home based services	2,030	1,949	1,571	61,126	53,361	50,712	9,497	9,994	9,057	278,460	262,837	240,252
Diagnostic & therapeutic services	1,671	1,753	1,437	16,397	16,621	15,294	29,691	29,960	27,249	713,396	708,023	648,338
Promotion, prevention and protection services	952	787	809	3,023	3,131	2,904	5,386	5,136	5,208	110,406	108,648	103,592
Research & education	-	146	29	645	305	87	13,028	14,707	13,010	88,791	94,174	80,485
Administration	1,180	1,440	1,421	12,343	11,157	10,830	3,653	3,948	3,609	169,129	159,327	147,751
Information technology and wellnet	233	258	274	4,999	4,711	4,403	1,794	2,696	1,325	74,088	81,277	61,793
Y2K remedial costs	272	241	23	-	445	569	950	880	322	18,680	22,645	16,708
Support services	2,641	2,818	2,350	25,754	26,543	27,084	12,733	13,065	12,177	541,637	561,259	524,719
Amortization of facilities and improvements	766	501	509	2,572	2,403	2,674	4,474	4,881	4,253	83,628	82,952	80,656
Capital assets write-down	-	278	-	-	-	-	-	-	-	-	278	61
TOTAL EXPENSE	14,566	14,869	12,191	186,511	186,697	169,762	115,727	121,895	106,130	3,808,586	3,801,166	3,497,886
Excess (deficiency) of revenue over expense before extraordinary items	2,050	1,982	1,566	2,506	2,291	(3,825)	(2,540)	(3,294)	321	152,246	197,728	(23,881)
Extraordinary item	-	-	-	-	-	-	-	-	-	-	-	(242)
Excess (deficiency) of revenue over expense	2,050	1,982	1,566	2,506	2,291	(3,825)	(2,540)	(3,294)	321	152,246	197,728	(24,123)

TABLE III

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS
MARCH 31, 2000

(Thousands of dollars)

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY 5	DAVID THOMPSON	EAST CENTRAL	WESTVIEW	CROSSROADS	CAPITAL HEALTH	ASPEN
ASSETS											
Cash and temporary investments	20,138	11,341	4,769	121,791	5,496	29,245	16,549	7,657	6,241	118,744	9,707
Accounts receivable	7,112	5,475	782	37,197	818	6,549	1,765	2,024	1,060	34,241	1,539
Inventories	1,369	665	731	10,205	554	2,523	514	585	1,238	10,941	592
Prepaid expenses	475	263	251	1,770	222	833	-	670	254	19,875	373
Current Assets	29,094	17,744	6,533	170,963	7,090	39,150	18,828	10,936	8,793	183,801	12,211
Non-current cash and investments	10,788	14,343	3,131	25,870	9,974	6,505	1,233	995	-	65,782	8,305
Capital assets	188,968	75,372	35,221	570,761	41,278	110,421	79,830	39,136	39,993	727,440	53,282
Other assets	5	-	-	33,314	-	558	-	-	362	47,394	-
TOTAL ASSETS	228,855	107,459	44,885	800,908	58,342	156,634	99,891	51,067	49,148	1,024,417	73,798
LIABILITIES, NET ASSETS AND ENDOWMENTS											
Bank indebtedness	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	11,145	6,483	2,742	68,554	2,887	14,180	6,928	4,889	5,210	89,939	3,167
Accrued vacation pay	6,922	4,084	2,064	37,222	1,920	7,203	3,759	1,707	1,877	32,619	2,766
Current deferred contributions	2,614	4,437	758	11,547	861	1,260	2,310	1,123	1,279	57,708	2,408
Current portion of long term debt	131	-	-	222	-	786	-	17	-	3,348	-
Current Liabilities	20,812	15,004	5,564	117,545	5,668	23,429	12,997	7,736	8,366	183,614	8,341
Non-current deferred contributions	3,727	-	-	33,200	-	4,897	-	-	-	-	-
Deferred capital contributions	3,282	-	1,395	25,020	7,574	1,608	1,233	995	159	62,791	1,854
Long-term debt	744	-	-	488	-	1,473	-	11	-	15,605	-
Pension plan obligation	362	300	92	1,883	87	351	185	72	98	1,982	133
Unamortized external capital contributions	180,062	69,833	30,271	489,621	38,744	96,022	77,795	35,106	37,194	655,697	48,330
Other liabilities	-	-	-	12,805	-	-	-	-	-	8,641	-
TOTAL LIABILITIES	208,989	85,137	37,322	680,562	52,073	127,780	92,210	43,920	45,817	928,330	58,658
NET ASSETS AND ENDOWMENTS											
Unrestricted	7,603	2,144	272	37,316	735	1,413	5,646	3,145	132	-	2,771
Internally restricted	4,082	14,639	2,341	2,600	3,000	15,726	-	-	400	51,367	7,417
Investment in capital assets	8,031	5,539	4,950	80,430	2,534	11,715	2,035	4,002	2,799	44,720	4,952
Endowments	150	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS AND ENDOWMENTS	19,866	22,322	7,563	120,346	6,269	28,854	7,681	7,147	3,331	96,087	15,140
TOTAL LIABILITIES, NET ASSETS AND ENDOWMENTS	228,855	107,459	44,885	800,908	58,342	156,634	99,891	51,067	49,148	1,024,417	73,798

CASH FLOWS

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY 5	DAVID THOMPSON	EAST CENTRAL	WESTVIEW	CROSSROADS	CAPITAL HEALTH	ASPEN
Cash generated from (used by) operating activities	695	6,547	2,128	70,329	4,675	10,808	(13)	6,340	641	76,786	3,602
Cash generated from (used by) investing activities	(30,226)	(5,492)	(4,990)	(81,160)	(18,366)	(12,494)	(2,910)	(12,423)	(1,625)	(91,732)	(3,102)
Cash generated from (used by) financing activities	24,841	2,239	2,569	66,533	15,372	10,260	2,117	11,839	889	30,299	2,460
Increase (decrease) in cash and cash equivalent	(4,690)	3,294	(293)	55,702	1,681	8,574	(806)	5,756	(95)	15,353	2,960
Cash and cash equivalent, net of bank indebtedness, beginning of year	24,828	8,047	5,062	66,089	3,815	20,671	17,355	1,901	6,336	103,391	6,747
Cash and cash equivalent, net of bank indebtedness, end of year	20,138	11,341	4,769	121,791	5,496	29,245	16,549	7,657	6,241	118,744	9,707
Non-current cash and investments at end of period	10,788	14,343	3,131	25,870	9,974	6,505	1,233	995	-	65,782	8,305
Total cash, cash equivalent and non-current investments at end of year	30,926	25,684	7,900	147,661	15,470	35,750	17,782	8,652	6,241	184,526	18,012

* *Adjusted to exclude non-current cash*

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

MARCH 31, 2000

(Thousands of dollars)

TABLE III

	LAKELAND	MISTAHIA	PEACE	KEEWETINOK LAKES	NORTHERN LIGHTS	NORTHWESTERN	ALBERTA MENTAL HEALTH BOARD	ALBERTA CANCER BOARD	TOTAL OF ALL HEALTH AUTHORITIES 2000	TOTAL OF ALL HEALTH AUTHORITIES 1999
ASSETS										
Cash and temporary investments	13,600	8,176	1,318	6,688	2,745	4,403	31,752	18,254	438,614	355,672
Accounts receivable	1,698	2,251	1,040	1,232	1,787	400	3,374	6,403	116,747	64,923
Inventories	857	649	195	226	356	233	794	2,937	36,164	32,832
Prepaid expenses	337	540	188	92	255	74	1,459	477	28,408	25,421
Current Assets	16,492	11,616	2,741	8,238	5,143	5,110	37,379	28,071	619,933	478,848
Non-current cash and investments	1,671	5,771	9,932	1,851	3,621	2,371	10,388	24,941	207,472	199,238
Capital assets	63,135	113,430	32,071	30,546	29,171	16,593	54,358	119,691	2,420,697	2,269,929
Other assets	-	667	240	-	-	-	-	-	82,540	1,882
TOTAL ASSETS	81,298	131,484	44,984	40,635	37,935	24,074	102,125	172,703	3,330,642	2,949,897
LIABILITIES, NET ASSETS AND ENDOWMENTS										
Bank indebtedness	-	-	-	-	-	-	-	-	-	-
Accounts payable	5,861	5,494	272	1,512	1,826	1,217	12,152	15,505	259,963	239,211
Accrued vacation pay	3,197	3,860	1,142	766	1,279	398	7,593	3,690	124,068	113,365
Current deferred contributions	2,475	883	65	1,483	258	226	4,881	9,789	106,365	116,335
Current portion of long term debt	1,290	-	-	-	-	19	-	-	5,813	4,723
Current Liabilities	12,823	10,237	1,479	3,761	3,363	1,860	24,626	28,984	496,209	473,634
Non-current deferred contributions	-	-	-	534	7	-	-	-	42,365	10,234
Deferred capital contributions	1,671	4,835	7,882	229	3,614	2,371	553	10,413	137,479	140,099
Long-term debt	85	-	-	-	-	6	-	-	18,412	24,719
Pension plan obligation	185	213	69	44	74	24	686	235	7,075	12,137
Unamortized external capital contributions	57,898	109,500	29,678	27,678	27,952	15,341	43,757	110,104	2,180,583	2,043,961
Other liabilities	-	78	-	-	-	-	-	-	21,524	15,826
TOTAL LIABILITIES	72,662	124,863	39,108	32,246	35,010	19,602	69,622	149,736	2,903,647	2,720,610
NET ASSETS AND ENDOWMENTS										
Unrestricted	4,774	740	1,433	3,899	1,706	-	12,273	7,569	93,571	4,186
Internally restricted	-	1,951	2,050	1,622	-	3,245	9,629	5,811	125,880	33,102
Investment in capital assets	3,862	3,930	2,393	2,868	1,219	1,227	10,601	9,587	207,394	191,849
Endowments	-	-	-	-	-	-	-	-	150	150
TOTAL NET ASSETS AND ENDOWMENTS	8,636	6,621	5,876	8,389	2,925	4,472	32,503	22,967	426,995	229,287
TOTAL LIABILITIES, NET ASSETS AND ENDOWMENTS	81,298	131,484	44,984	40,635	37,935	24,074	102,125	172,703	3,330,642	2,949,897
CASH FLOWS										
Cash generated from (used by) operating activities	3,437	3,247	(192)	2,029	(69)	2,781	4,779	510	199,060	121,615
Cash generated from (used by) investing activities	(3,895)	(495)	(15,289)	(1,688)	(2,758)	(5,485) *	(15,766)	(20,543)	(330,439)	(269,294)
Cash generated from (used by) financing activities	2,885	1,044	14,851	1,341	2,673	4,770	4,789	12,550	214,321	223,152
Increase (decrease) in cash and cash equivalent	2,427	3,796	(630)	1,682	(154)	2,066 *	(6,198)	(7,483)	82,942	75,473
Cash and cash equivalent, net of bank indebtedness, beginning of year	11,173	4,380	1,948	5,006	2,899	2,337 *	37,950	25,737	355,672	280,199
Cash and cash equivalent, net of bank indebtedness, end of year	13,600	8,176	1,318	6,688	2,745	4,403	31,752	18,254	438,614	355,672
Non-current cash and investments at end of period	1,671	5,771	9,932	1,851	3,621	2,371	10,388	24,941	207,472	199,238
Total cash, cash equivalent and non-current investments at end of year	15,271	13,947	11,250	8,539	6,366	6,774	42,140	43,195	646,086	554,910

* ***Adjusted to exclude non-current cash***

TABLE IV

HEALTH AUTHORITY SUMMARY OF OTHER FINANCIAL INFORMATION
MARCH 31, 2000
(Thousands of dollars)

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY 5	DAVID THOMPSON	EAST CENTRAL	WESTVIEW	CROSSROADS	CAPITAL HEALTH	ASPEN
I. ADMINISTRATION COST AS A % OF TOTAL EXPENSES *excludes information technology and wellnet*	4.6%	4.7%	6.4%	3.9%	5.3%	4.9%	6.4%	6.7%	6.6%	3.0%	6.3%
II. WORKING CAPITAL											
Current Assets	29,094	17,744	6,533	170,983	7,090	39,150	18,828	10,938	8,793	183,801	12,211
Current Liabilities	20,812	15,004	5,564	117,545	5,688	23,429	12,997	7,736	8,366	183,614	8,341
WORKING CAPITAL RATIO	1.40	1.18	1.17	1.45	1.25	1.67	1.45	1.41	1.05	1.00	1.46
III. ALBERTA HEALTH AND WELLNESS FUNDING COVERAGE RATIO	87.1%	84.7%	83.4%	91.3%	93.6%	90.1%	85.2%	103.3%	88.6%	89.7%	85.7%
IV. AVERAGE REMAINING USEFUL LIFE OF CAPITAL EQUIPMENT IN YEARS	3.5	3.5	5.5	3.4	4.4	8.5	4.1	3.6	3.8	4.1	3.9
V. CAPITAL INVESTMENTS DURING THE YEAR											
Funded from internal resources	3,016	2,035	1,048	13,569	626	1,736	807	389	736	17,437	1,189
Funded by external parties	26,324	2,239	1,174	59,423	10,125	11,002	1,111	13,347	889	97,473	1,461
	29,340	4,274	2,222	72,992	10,751	12,738	1,918	13,736	1,625	114,910	2,650

TABLE IV

HEALTH AUTHORITY SUMMARY OF
OTHER FINANCIAL INFORMATION
MARCH 31, 2000
(Thousands of dollars)

	LAKELAND	MISTAHIA	PEACE	KEEWEETINOK LAKES	NORTHERN LIGHTS	NORTHWESTERN	ALBERTA MENTAL HEALTH BOARD	ALBERTA CANCER BOARD	TOTAL OF ALL HEALTH AUTHORITIES 2000	TOTAL OF ALL HEALTH AUTHORITIES 1999
I. ADMINISTRATION COST AS A % OF TOTAL EXPENSES *excludes information technology and wellnet*	5.1%	6.0%	6.7%	6.0%	6.1%	9.7%	6.0%	3.2%	4.2%	4.2%
II. WORKING CAPITAL										
Current Assets	16,492	11,616	2,741	8,238	5,143	5,110	37,379	28,071	619,933	478,848
Current Liabilities	12,823	10,237	1,479	3,761	3,363	1,860	24,626	28,984	496,209	473,634
WORKING CAPITAL RATIO	1.29	1.13	1.85	2.19	1.53	2.75	1.52	0.97	1.25	1.01
III. ALBERTA HEALTH AND WELLNESS FUNDING COVERAGE RATIO	86.9%	84.1%	87.0%	88.3%	87.1%	99.1%	92.7%	72.8%	89.2%	83.4%
IV. AVERAGE REMAINING USEFUL LIFE OF CAPITAL EQUIPMENT IN YEARS	5.0	3.4	3.7	3.4	4.5	3.6	5.2	5.3	4.1	3.8
V. CAPITAL INVESTMENTS DURING THE YEAR										
Funded from internal resources	1,044	366	466	240	112	689	2,892	2,803	51,200	56,382
Funded by external parties	2,451	3,369	11,251	679	2,960	6,489	4,695	16,393	272,855	166,858
	3,495	3,735	11,717	919	3,072	7,178	7,587	19,196	324,055	223,240

Government Organization Changes: 1999/2000

This schedule gives a road map of the major program/entity changes as a result of the government reorganizations in 1999/2000. The left column identifies the ministries after the government reorganizations. Some ministries are new, merged or renamed. The center column identifies the major programs/entities in which there was a change in administration to the reorganized ministries. The right column identifies which ministry these programs/entities were located in before the government reorganizations.

Ministry	Program/Entity Changes	Previous Location
Agriculture, Food & Rural Development	• Alberta Opportunity Company	Economic Development
Children's Services (New)	• Social Support to Families With Children	Former Family & Social Services
	• Family & Community Support Services	
	• Handicapped Children's Service & Daycare	
Community Development	• Francophone Secretariat	Former Intergovernmental & Aboriginal Affairs
	• Protection for Persons in Care	Former Family & Social Services
	• Housing & Alberta Social Housing Corporation	Municipal Affairs
Economic Development	• Foreign Agriculture Marketing	Agriculture, Food & Rural Development
Executive Council	• Government Protocol	Former Intergovernmental & Aboriginal Affairs
Gaming (New)	• Community Lottery Grant Program	Community Development
	• Lottery Fund and some Lottery Funded Programs	
	• Alberta Gaming and Liquor Commission	Economic Development
Government Services (New)	• Consumer & Corporate Services and Registry Services	Municipal Affairs
	• Regulatory Review	Treasury
Health & Wellness (Formerly Health)	• Alberta Alcohol & Drug Abuse Commission	Community Development
	• Services to Persons with Development Disabilities	Former Family & Social Services

Ministry	Program/Entity Changes	Previous Location
Human Resources & Employment (New)	• Income Support to Individuals & Families • Employment & Training Support • Supports to Dependent Adults	Former Family & Social Services
	• Workplace Services • Labour Relations	Former Labour
	• Personnel Administration Office • Career Development • Labour Market Development Agreement	Former Advanced Education & Career Development
Infrastructure (Merger of Public Works, Supply & Services and Transportation & Utilities)	• School & Post-Secondary Facilities	Former Education and Advanced Education & Career Development
Innovation & Science (Formerly Science, Research & Information) Technology)	• Alberta Agricultural Research Institute	Agriculture, Food & Rural Development
	• Information Technology Services	Former Public Works, Supply and Services
	• University Research Excellence • University Intellectual Infrastructure (now in University Research Investments)	Former Advanced Education & Career Development
	• Technology Commercialization Initiatives	Economic Development
Justice	• Mediation Services	Former Family & Social Services
Municipal Affairs	• Safety Services • Freedom of Information & Protection of Privacy	Former Labour
	• Disaster Services	Former Transportation & Utilities
Resource Development (Formerly Energy)	• Northern Development	Executive Council
	• Forest Products Development	Economic Development & Environment
Treasury	• Employment Pensions	Former Labour

Other Renamed or Merged Ministries

Environment
(formerly Environmental Protection)

International and Intergovernmental Relations
(formerly Intergovernmental & Aboriginal Affairs)

Learning
(merger of Education and Advanced Education & Career Development)

Index of All Government Entities

Entities included in the consolidated government reporting entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Agricultural Research Institute	Innovation and Science
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Resource Development
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Treasury
Alberta Heritage Foundation for Medical Research Endowment Fund	Treasury
Alberta Heritage Savings Trust Fund	Treasury
Alberta Heritage Scholarship Fund	Treasury
Alberta Historical Resources Foundation, The	Community Development
Alberta Informatics Circle of Research Excellence Inc.	Innovation and Science
Alberta Insurance Council	Treasury
Alberta Municipal Financing Corporation	Treasury
Alberta Oil Sands Technology and Research Authority	Innovation and Science
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Treasury
Alberta Petroleum Marketing Commission	Resource Development
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Treasury
Alberta School Foundation Fund	Learning
Alberta Science, Research and Technology Authority	Innovation and Science
Alberta Securities Commission	Treasury
Alberta Social Housing Corporation	Community Development
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Treasury
ATB Investment Services Inc.	Treasury
Awasak Child and Family Services Authority	Children's Services
Calgary Rocky View Child and Family Services Authority	Children's Services
Child and Family Services Authority — Region 13	Children's Services
Child and Family Services Authority — Region 14	Children's Services
Credit Union Deposit Guarantee Corporation	Treasury
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Environment	Environment
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Justice	Justice
Department of Learning	Learning
Department of Resource Development	Resource Development
Department of Treasury	Treasury
Diamond Willow Child and Family Services Authority	Children's Services
Environmental Protection and Enhancement Fund	Environment
Gainers Inc.	Treasury

Ministry, Department, Fund or Agency	Ministry Annual Report
Government House Foundation, The	Community Development
Hearthstone Child and Family Services Authority	Children's Services
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
Keystone Child and Family Services Authority	Children's Services
Lottery Fund	Gaming
Ma'Mowe Capital Region Child and Family Services Authority	Children's Services
Metis Settlements Child and Family Services Authority	Children's Services
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Environment	Environment
Ministry of Executive Council[1]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Resource Development	Resource Development
Ministry of Treasury	Treasury
N.A. Properties (1994) Ltd.	Treasury
Natural Resources Conservation Board	Environment
Neegan Awas'sak Child and Family Services Authority	Children's Services
Persons with Developmental Disabilities Calgary Region Community Board	Health and Wellness
Persons with Developmental Disabilities Central Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Edmonton Community Board	Health and Wellness
Persons with Developmental Disabilities Foundation	Health and Wellness
Persons with Developmental Disabilities Michener Centre Facility Board	Health and Wellness
Persons with Developmental Disabilities Northeast Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Northwest Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Provincial Board	Health and Wellness
Persons with Developmental Disabilities South Alberta Community Board	Health and Wellness
Ribstone Child and Family Services Authority	Children's Services
S C Financial Ltd.	Treasury
Sakaigun Asky Child and Family Services Authority	Children's Services
Sakaw Askiy Child and Family Services Authority	Children's Services
Silver Birch Child and Family Services Authority	Children's Services
Southeast Alberta Child and Family Services Authority	Children's Services
Sun Country Child and Family Services Authority	Children's Services
Supplementary Retirement Plan Reserve Fund	Treasury
Victims of Crime Fund	Justice
West Yellowhead Child and Family Services Authority	Children's Services
Wild Rose Foundation, The	Community Development
Windsong Child and Family Services Authority	Children's Services

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[1] Ministry includes only the department so separate department financial statements are not necessary.

Entities NOT included in the consolidated government reporting entity

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts Trust Account	Municipal Affairs
Local Authorities Pension Plan	Treasury
Long-Term Disability Income Continuance Plan -Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan -Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Treasury
Provincial Judges and Masters in Chambers Pension Plan	Treasury
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Treasury
Public Service Pension Plan	Treasury
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Treasury
Universities Academic Pension Plan	Treasury
Workers' Compensation Board	Human Resources and Employment

Alberta Ministry of Health and Wellness

Annual Report 1999/2000

Section II

Alberta
HEALTH AND WELLNESS

For further information

For additional copies of this document or Section I, contact:

Alberta Health and Wellness
Communications
22nd floor, 10025 Jasper Avenue
Edmonton, Alberta T5J 2N3
Phone: (780) 427-7164
Fax: (780) 427-1171
E-mail: ahinform@health.gov.ab.ca

For research or technical inquiries on the financial information in this document, contact:

Alberta Health and Wellness
External Financial Reporting
16th floor, 10025 Jasper Avenue
Edmonton, Alberta T5J 2N3
Phone: (780) 427-0826
Fax: (780) 427-1643

ISSN 1492-8884

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Contact list:
Financial Information for Regional Health Authorities and Provincial Health Boards

For further financial information regarding the regional health authorities or provincial health boards, please contact:

1.	**Chinook Regional Health Authority**	**(403) 382-6019**
2.	**Palliser Health Authority**	**(403) 529-8058**
3.	**Headwaters Health Authority**	**(403) 601-8330**
4.	**Calgary Regional Health Authority**	**(403) 541-3677**
5.	**Regional Health Authority 5**	**(403) 823-5245**
6.	**David Thompson Regional Health Authority**	**(403) 341-8622**
7.	**East Central Health Authority**	**(403) 608-8820**
8.	**WestView Regional Health Authority**	**(780) 968-3221**
9.	**Crossroads Regional Health Authority**	**(780) 352-3766**
10.	**Capital Health Authority**	**(780) 407-1010**
11.	**Aspen Regional Health Authority #11**	**(780) 349-8705**
12.	**Lakeland Regional Health Authority**	**(780) 656-2030** **1-800-815-8683**
13.	**Mistahia Regional Health Authority**	**1-800-732-8981**
14.	**Peace Regional Health Region**	**(780) 618-4500**
15.	**Keeweetinok Lakes Regional Health Authority #15**	**(780) 523-6641**
16.	**Northern Lights Regional Health Authority**	**(780) 791-6018**
17.	**Northwestern Regional Health Authority**	**(780) 926-4388**
18.	**Alberta Mental Health Board**	**(780) 422-2233**
19.	**Alberta Cancer Board**	**(780) 412-6328**

Chinook Regional Health Authority

Financial Statements
March 31, 2000

CHINOOK REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2000

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CHINOOK REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

The Authority members carry out their responsibility for the financial statements through the Finance Committee. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Chinook Regional Health Authority Board for approval. The external auditor has full and free access to the Finance Committee.

The external auditor, the Auditor General of Alberta, provides an independent audit of the financial statements. Their examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

June 13, 2000
Chief Executive Officer

June 13, 2000
Vice President, Finance and Administration

AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Chinook Regional Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the Chinook Regional Health Authority ("the Authority") as at March 31, 2000, and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 13, 2000

CHINOOK REGIONAL HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION
March 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 4)	$ 20,138	$ 24,828
Accounts receivable (Note 5)	7,112	3,258
Inventories	1,369	1,235
Prepaid expenses	475	234
	29,094	29,555
Non-current cash and investments (Note 4)	10,788	9,768
Capital assets (Note 6)	188,968	168,822
Other assets (Note 7)	5	5
	$ 228,855	$ 208,150
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 11,145	$ 11,440
Accrued vacation pay	6,922	6,354
Deferred contributions (Note 8)	2,614	4,475
Current portion of long-term debt (Note 10)	131	164
	20,812	22,433
Deferred contributions (Note 8)	3,727	2,762
Deferred capital contributions (Note 9)	3,282	4,307
Long-term debt (Note 10)	744	834
Pension plan obligation (Note 11)	362	506
Unamortized external capital contributions (Note 12)	180,062	161,168
	188,177	169,577
Net assets:		
Unrestricted	7,603	7,158
Internally restricted (Note 13)	4,082	2,176
Investment in capital assets	8,031	6,656
Operating net assets	19,716	15,990
Endowments	150	150
	19,866	16,140
Commitments (Note 24)		
	$ 228,855	$ 208,150

The accompanying notes and schedules are part of these financial statements.

CHINOOK REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 14)	Actual	Actual
Revenues			
Alberta Health and Wellness contributions (Note 15)	$ 151,818	$ 152,248	$ 138,874
Other government contributions (Note 16)	2,363	2,222	2,287
Fees and charges	11,854	12,660	12,116
Ancillary operations, net (Note 17)	336	498	372
Donations	252	313	372
Investment and other income (Note 18)	1,676	3,241	2,608
Amortization of external capital contributions (Note 12)	8,175	7,427	7,325
	176,474	178,609	163,954
Expenses (Schedule 1)			
Facility based inpatient acute services	41,179	43,556	42,057
Facility based emergency and outpatient services	9,841	9,394	8,655
Facility based continuing care services	33,874	25,228	23,447
Community and home based services	9,437	9,419	8,857
Diagnostic and therapeutic services	28,634	32,008	29,248
Promotion, prevention and protection services	6,093	5,829	5,411
Administration (Note 19)	10,745	8,008	7,483
Information technology and Wellnet (Note 20)	-	3,142	1,513
Year 2000 remedial costs	-	637	1,259
Support services (Note 21)	24,659	31,750	30,157
Amortization of facilities and improvements	6,577	5,912	5,884
	171,039	174,883	163,971
Excess (deficiency) of revenues over expenses	$ 5,435	$ 3,726	$ (17)

CHINOOK REGIONAL HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2000
(thousands of dollars)

	2000						1999
	Operating						
	Unrestricted	Internally Restricted	Invested in Capital Assets	Total Operating	Endowments	Total	Total
Beginning of year	$ 7,158	$ 2,176	$ 6,656	$ 15,990	$ 150	$ 16,140	$ 16,157
Excess (deficiency) of revenues over expenses	3,726	-	-	3,726	-	3,726	(17)
Internally restricted	(4,922)	4,922	-	-	-	-	-
Capital assets purchased with internal funds	-	(3,016)	3,016	-	-	-	-
Amortization on internally funded capital assets	1,008	-	(1,008)	-	-	-	-
Repayment of long-term debt used to fund capital assets	(167)	-	167	-	-	-	-
End of year	$ 7,603	$ 4,082	$ 8,031	$ 19,716	$ 150	$ 19,866	$ 16,140

CHINOOK REGIONAL HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities			
Excess (deficiency) of revenues over expenses	$ 5,435	$ 3,726	$ (17)
Non-cash transactions:			
Change in unfunded pension obligations	-	(144)	(23)
Amortization of capital equipment - internally funded	2,224	1,616	1,389
Amortization of capital equipment - externally funded	1,703	1,573	1,453
Amortization of facilities and improvements	6,619	5,930	6,073
Amortization of external capital contributions	(8,175)	(7,430)	(7,565)
Loss on disposal of facilities and improvements	-	24	-
Gain on disposal of capital equipment	-	(82)	(112)
	7,806	5,213	1,198
Change in non-cash working capital account (Note 22)	(3,966)	(4,518)	7,047
Cash generated from (used by) operating activities	3,840	695	8,245
Investing activities:			
Purchase of capital assets:			
internally funded	(6,866)	(3,016)	(1,522)
externally funded - equipment	(28,439)	(4,350)	(1,414)
externally funded - facilities and improvements	-	(21,974)	(8,256)
Proceeds on sale of capital assets	139	134	147
Change in non-current cash	6,737	(1,020)	(4,328)
Cash used by investing activities	(28,429)	(30,226)	(15,373)
Financing activities:			
Capital contributions received (Note 9)	22,679	25,299	11,419
Change in non-cash working capital account (Note 22)	-	(1,300)	-
Principal payments on long term debt	(164)	(168)	(162)
Increase in long term debt	-	45	45
Net change in non-current deferred contributions	120	965	128
Cash generated from financing activities	22,635	24,841	11,430
Increase (decrease) in cash and temporary investments	(1,954)	(4,690)	4,302
Cash and temporary investments, beginning of year	21,182	24,828	20,526
Cash and temporary investments, end of year	$ 19,228	$ 20,138	$ 24,828

CHINOOK REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000
(thousands of dollars)

Note 1 Authority, Purpose and Operations

The Chinook Regional Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services within the Chinook Region (the "Region"). This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:
- Barons-Eureka-Warner Health Unit
- Border Counties General Hospital
- Cardston General Hospital
- Children's Assessment, Rehabilitation and Education Centre Society of Southwestern Alberta
- Chinook Health Unit
- Crowsnest Pass General and Auxiliary Hospital
- Fort Macleod Health Care Centre
- Fort Macleod Special Development Unit
- City of Lethbridge Health Unit
- Lethbridge Regional Hospital
- Magrath General Hospital
- Picture Butte Health Centre
- Pincher Creek Municipal Hospital
- Raymond General Hospital
- Taber and District Health Care Complex

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 23(c).

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health. The following are the significant accounting policies:

(a) Basis of Presentation

These financial statements are prepared using the non-fund deferral method of accounting. The Foundations are not consolidated.

(b) Revenue Recognition

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(c) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

The fair value of costs of services are recorded. The fair value transactions recorded consist of the following:

(i) Revenues earned by contracted health service operators from Ministry of Health designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments made by Alberta Health directly to contracted health service operators for health programs are recorded as revenues and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(iv) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(d) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan. Effective January 1, 2000 employees participating in the Public Service Pension Plan were transferred to the Local Authorities Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of the Local Authority's Pension Plan, including deferred adjustments arising from experience gains and losses ~~and changes~~ in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

The pension expenses included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating employers.

(e) Investments

Temporary investments are recorded at cost which approximates market value.

(f) Financial Instruments

The carrying value of accounts receivable, accounts payable and accrued liabilities approximates their fair value as of March 31, 2000 due to the short-term nature of these items.

The carrying value of long-term debt (obli ons under capital leases) approximates their fair values as of March 31, 2000.

(g) Inventories

Inventories are valued at the lower of cost or net realizable value.

(h) Capital Assets

Capital assets and construction projects in progress are recorded at cost.

Capital assets except land, construction in progress and art are amortized over their estimated useful lives on a straight line basis as follows:

	Useful Life
Land improvements	10 - 25 years
Buildings	20 - 40 years
Equipment	5 - 20 years

Construction projects in progress are not amortized until the project is complete.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(i) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If the actual costs are not known at the time the decision is made, then an estimate of the amount is recorded.

(j) Use of Estimates Note

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Note 3 Year 2000 Remedial Costs

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 4 Cash and Temporary Investments

	2000	1999
Cash	$ 8,437	$ 10,810
Term deposits[1]	6,098	$ 23,786
Managed funds[2]	16,391	-
	30,926	34,596
Amounts held for non-current purposes	(10,788)	(9,768)
	$ 20,138	$ 24,828

[1] Term deposits with Alberta Treasury Branches maturing within one year and bearing interest at an average rate of 4.82%.

[2] The Authority has placed funds under management, invested in accordance with the investment policy, with Bissett and Associates Investment Management Ltd.

Note 4 Cash and Temporary Investments (continued)

The funds have a market value at March 31, 2000 of $16,188.

Non-current cash and investments represent the following:

	2000	1999
Endowments	$ 150	$ 150
Externally restricted for capital purposes	1,982	4,307
Internally restricted for capital purposes	3,863	1,945
Internally restricted for education	219	231
Externally restricted for specific purposes	4,574	3,135
	$ 10,788	$ 9,768

Note 5 Accounts Receivable

	2000	1999
Contributions receivable	$ 3,303	$ 265
Accounts receivable - patients and other	3,809	2,993
	$ 7,112	$ 3,258

Note 6 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 2,462	$ -	$ 2,462	$ 2,517
Land improvements	4,098	3,275	823	914
Buildings	209,443	67,010	142,433	147,623
Equipment	58,328	47,527	10,801	7,646
Construction in progress	32,334	-	32,334	10,007
Art	115	-	115	115
	$ 306,780	$ 117,812	$ 188,968	$ 168,822

Note 6 Capital Assets (continued)

(a) Land

Land at the following sites has been provided to the Authority at nominal values: Crowsnest Pass Health Centre, Picture Butte General Hospital, and Southland Nursing Home.

(b) Leased Equipment

Included in the equipment are items acquired through capital leases at a cost of $1,430 (1999 - $1,385) with accumulated amortization of $798 (1999 - $626).

(c) Construction In Progress

Construction in progress includes construction of a new 210 bed long-term care facility on land owned by Alberta Infrastructure. The facility will be operated by St. Michael's Health Centre under the terms of an operating agreement with the Authority.

The facility is being constructed by the Authority with funding provided by Alberta Infrastructure. The underlying land has not been reflected in these financial statements.

Capital assets have been funded from the following sources:

	2000	1999
Financed by capital leases	$ 875	$ 998
Externally funded	180,062	161,168
Internally funded	8,031	6,656
	$ 188,968	$ 168,822

Note 7 Other Assets

	2000	1999
Deposits - Housekeeping	$ 5	$ 5

Note 8 Deferred Contributions

	2000	1999
Amounts received:		
Alberta Health and Wellness contributions	$ 3,387	$ 195
Other government contributions	207	173
Donations	2,917	854
Investments and other revenue	742	311
	7,253	1,533
Amounts recognized as revenue		
Alberta Health and Wellness contributions (Note 15)		
Year 2000 remedial costs	(637)	(1,202)
Other	(55)	-
Other government contributions (Note 16)	(150)	(187)
Donations	(464)	(301)
Investment and other revenue	(449)	(29)
	(1,755)	(1,719)
Returned to Alberta Health and Wellness	(144)	-
Amounts transferred to deferred capital contributions (Note 9)		
Year 2000 remedial costs	(3,845)	(102)
Other	(2,405)	(548)
	(8,149)	(2,369)
Change during the year	(896)	(836)
Balance, beginning of year	7,237	8,073
	$ 6,341	$ 7,237

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Current:		
Year 2000	$ 20	$ 3,703
Special purpose program funding	2,136	363
Restricted donations	458	409
	2,614	4,475
Long-term:		
Special purpose program funding	3,727	2,762
	$ 6,341	$ 7,237

Note 9 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(b).

	2000	1999
Amounts received:		
Restricted Alberta Health and Wellness contributions	$ 575	$ -
Restricted other government contributions	18,399	10,704
Restricted for capital purposes (Note 18)	61	149
Refund to Alberta Infrastructure	(14)	(25)
Refund of requisition funds	-	(59)
Proceeds on sale of land	28	-
Transferred from deferred contributions (Note 8)		
Year 2000 remedial costs	3,845	102
Other	2,405	548
	25,299	11,419
Transferred to:		
Minor equipment	-	(4)
Unamortized external capital contributions (Note 12)		
Year 2000 remedial	(3,845)	(102)
Other	(20,074)	(9,020)
Donations	(2,405)	(548)
Change during the year	(1,025)	1,745
Balance, beginning of year	4,307	2,562
Balance, end of year	$ 3,282	$ 4,307
Balance at end of year is restricted for the following purposes:		
Equipment replacement	1,587	1,610
New construction	1,695	2,697
	$ 3,282	$ 4,307

Note 10 Long-term Debt

	2000	1999
Obligations under capital leases	$ 875	$ 998
Less current portion	(131)	(164)
Long-term portion	$ 744	$ 834

	Total
Future payments:	
For the year ended March 31:	
2001	$ 197
2002	170
2003	155
2004	142
2005	142
2006 and thereafter	400
	1,206
Amount representing interest	(331)
	$ 875

The capital leases expire on various dates to October 1, 2005. The implicit interest rates payable on these leases are 8% to 9.5%.

Note 11 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan (LAPP) which is a defined benefit pension plan. This plan provides pensions for Authority employees based on length of service and earnings. Effective January 1, 2000 employees participating in the Public Service Pension Plan (PSPP) were transferred to LAPP.

The total unfunded liability for the LAPP as at March 31, 2000 was determined by actuarial valuations as at December 31, 1998 and extrapolated to March 31, 2000. The comparatives are based on actuary evaluation for LAPP and PSPP as at December, 1997 extrapolated to March 31, 1999.

Note 11 Pension Plan Obligation (continued)

The Public Sector Pension Plans Act specifies the basis to determine the amount of the total unfunded liability for each plan that will be funded by employers.

The pension plan obligation is represented as follows:

	2000	1999
Local Authorities Pension Plan	$ 362	$ 254
Public Service Pension Plan	-	252
	$ 362	$ 506

The change in pension plan obligation in the amount of $144 (1999 - $23) has been allocated to programs.

Note 12 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(b). The balance at end of year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
Balance at beginning of year	$ 161,168	$ 159,063
Add amounts transferred from		
Deferred capital contributions (Note 9)		
Year 2000 remedial costs	3,845	102
Other	20,074	9,020
Donations	2,405	548
	26,324	9,670
Less amounts recognized as revenue		
General operations	(7,427)	(7,325)
Ancillary operations (Note 17)	(3)	(240)
	(7,430)	(7,565)
	$ 180,062	$ 161,168

Note 13 Net Assets Internally Restricted

Net assets internally restricted represent amounts restricted by the Authority for the following purposes:

	2000	1999
Future equipment replacement	$ 1,510	$ 1,180
Information technology upgrade	2,312	765
Building management upgrade	41	-
Education fund	219	231
	$ 4,082	$ 2,176

Note 14 Budget

	Approved Budget[1]	Increased Funding[2]	Reported Budget
Revenue:			
Alberta Health and Wellness contributions	$ 145,734	$ 6,084	$ 151,818
Other government contributions	2,363	-	2,363
Fees and charges	11,854	-	11,854
Net ancillary operations	336	-	336
Donations	252	-	252
Investment and other revenue	1,676	-	1,676
Amortization of deferred capital contributions	8,175	-	8,175
Total revenue	170,390	6,084	176,474
Expenses:			
Facility based inpatient services	41,179	-	41,179
Facility based emergency and outpatient services	9,841	-	9,841
Facility based continuing care services	33,874	-	33,874
Community and home based services	9,437	-	9,437
Diagnostic and therapeutic services	28,634	-	28,634
Promotion, prevention and protection services	6,093	-	6,093
Administration	10,745	-	10,745
Support services	24,659	-	24,659
Amortization of facilities and improvements	6,577		6,577
Total expenses	171,039	-	171,039
Excess of revenues over expenses	$ (649)	$ 6,084	$ 5,435

[1] The budget was approved by the members of the Authority on April 28, 1999 and submitted to the Minister of Health and Wellness and approved on August 13, 1999.

[2] On November 16, 1999 the Minister of Health and Wellness announced a funding increase to RHA's for patient care and to improve access to quality health services. The Chinook Regional Health Authority received $6,084.

Note 15 Alberta Health and Wellness Contributions

	Budget	2000	1999
Unrestricted contributions	$ 151,259	$ 151,372	$ 137,488
Transfers from deferred contributions (Note 8)			
Year 2000 remedial costs	375	637	1,202
Other	-	55	-
Restricted contributions made directly by Alberta Health and Wellness to contracted health service operators	184	184	184
	$ 151,818	$ 152,248	$ 138,874

Note 16 Other Government Contributions

	Budget	2000	1999
Person's with Development Disabilities Southern Alberta Board	$ 1,918	$ 1,779	$ 1,806
Transfers from deferred contributions (Note 8)	159	150	187
Fair value of rent less rent charges for non-acute care facilities used by the Authority	286	293	294
	$ 2,363	$ 2,222	$ 2,287

Note 17 Ancillary Operations

	2000						1999
	Non-Patient Food Services Operations	Laundry Operations	Parking Operations	Other Operations	Total	Budget	Total
Revenues							
Revenues	$ 786	$ 64	$ 332	$ 213	$ 1,395	$ 1,236	$ 1,308
Amortization of deferred capital contributions	-	1	2	-	3	-	240
	786	65	334	213	1,398	1,236	1,548
Expenses							
Other expenses	614	64	30	149	$ 857	856	895
Amortization	-	1	42	-	43	44	281
	614	65	72	149	900	900	1,176
Excess of revenues over expenses 1999-2000	$ 172	$ -	$ 262	$ 64	$ 498	$ 336	$ 372
Excess of revenues over expenses 1998-99	$ 133	$ -	$ 201	$ 38	$ 372		

Note 18 Investment and Other Income

	Budget	2000	1999
Investment and other income earned on unrestricted resources	$ 1,676	$ 3,233	$ 2,600
Investment and other income earned on resources restricted for the purchase of capital assets	-	61	149
Investment income earned on resources held for endowment	-	8	8
	1,676	3,302	2,757
Less amounts deferred:			
Restricted for capital asset acquisition (Note 9)	-	(61)	(149)
	$ 1,676	$ 3,241	$ 2,608

Investment income is comprised of interest.

Other income is comprised of recoveries from sources external to the Health Authority for material and supplies.

Note 19 Administration

	Budget	2000	1999
General administration	$ 4,150	$ 4,463	$ 4,181
Finance	1,202	1,142	1,046
Personnel	991	1,069	857
Information Systems	3,318	-	
We//net	709	-	
Year 2000 remedial costs	375	-	
Administration - contract operators	-	1,334	1,399
	$ 10,745	$ 8,008	$ 7,483

Note 20 Information Technology and We//net

	Budget	2000	1999
Alberta We//net	$ -	$ 709	$ -
Information systems	-	2,433	1,513
	$ -	$ 3,142	$ 1,513

Alberta We//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. Alberta We//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, univiersities and faculties of medicine, a national health informaiton institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or to develop application to support We//net initiatives. In accordance with Generally Accepted Accounting Principles, $709 has been expensed.

Note 21 **Support Services**

	Budget	2000	1999
Building maintenance, operations and security	$ 8,289	$ 9,085	$ 8,657
Communications	383	375	368
Education	257	421	352
Housekeeping	3,011	3,093	3,000
Laundry and linen	995	1,025	1,058
Materials management	2,672	2,622	2,285
Patient food services	5,052	5,194	4,857
Patient health records	2,022	1,984	1,870
Patient registration	980	997	963
Patient transportation	791	1,162	906
Volunteer services	207	221	161
Support-contract operators	-	5,571	5,680
	$ 24,659	$ 31,750	$ 30,157

Note 22 **Changes in Non-Cash Working Capital Accounts**

	2000	1999
Accounts receivable	$ (3,854)	$ 5,567
Inventories	(134)	(143)
Prepaid expenses	(241)	(164)
Accounts payable	(296)	2,187
Accrued vacation pay	568	564
Current portion of deferred contributions	(1,861)	(964)
	$ (5,818)	$ 7,047
Reflected in the Statement of Cash Flows as:		
Operating activities	$ (4,518)	$ 7,047
Financing activities	(1,300)	-
	$ (5,818)	$ 7,047

Note 23 **Related Parties**

(a) Provincial Government
The Authority operates under the authority of the Province of Alberta.
Transactions between the Authority and the Province of Alberta are described in Notes 8, 9, 14, 15, 16 and 20 to the financial statements.

Note 23 Related Parties (continued)

(b) Foundations
The Authority exercises control over the following Foundations by virtue of its ability to appoint a majority of the voting members of the Boards of Directors. These Foundations were established under the Regional Health Authorities Act and are registered charities under the Income Tax Act.

The controlled Foundations are not consolidated in these financial statements.

(i) Crowsnest Pass Health Foundation (established August 28, 1996)

	2000	1999
Total assets	$ 94	$ 83
Total liabilities	(1)	(13)
Net assets	$ 93	$ 70
Revenues	$ 101	$ 57
Expenses	(77)	(41)
Excess of revenues over expenses	$ 24	$ 16

The resources of the Foundation amounting to $67 have been restricted by the donors for the exclusive use of Crowsnest Pass Health Care Facility.

The financial statements for the Crowsnest Pass Health Foundation are prepared using the Restricted Fund method.

(ii) Cardston and District Health Foundation (established August 28, 1996)

	2000	1999
Total assets	$ 52	$ 4
Total liabilities	(1)	-
Net assets	$ 51	$ 4
Revenues	$ 70	$ 2
Expenses	(23)	-
Excess of revenues over expenses	$ 47	$ 2

The resources of the Foundation amounting to $42 have been restricted by

Note 23 Related Parties (continued)

the donors for the exclusive use of Cardston Health Care Facility.

The financial statements for the Cardston Health Foundation are prepared using the Restricted Fund method.

(iii) North County Health Foundation (established October 16, 1997)

	2000	1999
Total assets	$ 71	$ 8
Total liabilities	(1)	-
Net assets	$ 70	$ 8
Revenues	$ 127	$ 33
Expenses	(65)	(26)
Excess of revenues over expenses	$ 62	$ 7

The resources of the Foundation amounting to $64 have been restricted by the donors for the exclusive use of Picture Butte Health Care Facility.

The financial statements for the North County Health Foundation are prepared using the Restricted Fund method.

(iv) Fort Macleod and District Health Foundation (established April 21, 1998)

	2000	1999
Total assets	$ 27	$ 4
Total liabilities	(5)	-
Net assets	$ 22	$ 4
Revenues	$ 59	$ 7
Expenses	(41)	(3)
Excess of revenues over expenses	$ 18	$ 4

Note 23 Related Parties (continued)

The resources of the Foundation amounting to $22 have been restricted by the donors for the exclusive use of Fort Macleod Health Care Facility.

The financial statements for the Fort Macleod and District Health Foundation are prepared using the Restricted Fund method.

(v) Windy Slopes Health Foundation (established April 28, 1998)

	2000	1999
Total assets	$ 22	$ -
Total liabilities	(1)	-
Net assets	$ 21	$ -
Revenues	$ 86	$ -
Expenses	(65)	-
Excess of revenues over expenses	$ 21	$ -

The resources of the Foundation amounting to $19 have been restricted by the donors for the exclusive use of Windy Slopes Health Foundation.

The financial statements for the Windy Slopes Health Foundation are prepared using the Restricted Fund method.

Note 23 Related Parties (continued)

	Contributions Received by Health Authority Year ended March 31 2000	Contributions Received by Health Authority Year ended March 31 1999	Resources held by Foundation At March 31, 2000 Externally Restricted	Resources held by Foundation At March 31, 2000 Unrestricted
Crowsnest Pass Health Foundation	$ 45	$ 24	$ 67	$ 26
Cardston Health Foundation	1	-	42	9
North County Health Foundation	3	4	64	6
Fort Macleod and District Health Foundation	4	3	22	-
Windy Slopes Health Foundation	26	-	19	2
	$ 79	$ 31	$ 214	$ 43

Note 23 Related Parties (continued)

(c) Other Foundations

The Authority has an economic interest in the Lethbridge Regional Hospital Foundation and the Taber and District Health Foundation by virtue of its representation on the Board of Directors. The Foundations were established to raise funds for use in the respective community. The Foundations were continued under the Regional Health Authorities Act and are registered charities under the income Tax Act. Financial information for these foundations is as follows:

	Contributions Received by Health Authority Year ended March 31, 2000	Contributions Received by Health Authority Year ended March 31, 1999	Resources held by Foundation At March 31, 2000 Externally Restricted	Resources held by Foundation At March 31, 2000 Unrestricted
Lethbridge Regional Hospital Foundation	$ 2,437	$ 564	$ 1,836	$ 2,217
Taber and District Health Foundation	116	38	437	333
	$ 2,553	$ 602	$ 2,273	$ 2,550

Contributions include externally restricted amounts for equipment, programs, research, and education for the specific communities supported by the Foundations.

Note 23 Related Parties (continued)

The value of administrative support provided to Foundations, and the accounts receivable from the Foundations at year end are as follows:

	Administrative Support		Accounts Receivable	
	Year ended March 31,		Year ended March 31,	
	2000	1999	2000	1999
Controlled Foundations:				
Crowsnest Pass				
Health Foundation	$ 22	$ 16	$ 1	$ 13
Cardston and District				
Health Foundation	22	-	1	-
North County				
Health Foundation	26	19	1	-
Fort Macleod and District				
Health Foundation	21	-	4	-
Windy Slopes				
Health Foundation	22	-	1	-
Other Foundations:				
Lethbridge Regional				
Hospital Foundation	155	162	87	100
Taber and District				
Health Foundation	37	31	59	20
	$ 305	$ 228	$ 154	$ 133

(d) Society of Friends of the Lethbridge Regional Hospital (the "Society")

The Authority significantly influences the Society through its provision of administrative and financial services and by representation on the Board. The Society is incorporated under the Societies Act of Alberta and operates the gift shop, telephone and television rentals, and other various fund-raising activities. All funds earned are used to support the activities of the Lethbridge Regional Hospital Site of the Authority by transferring funds through the Lethbridge Regional Hospital Foundation.

As at March 31, 2000, $37 (1999 - $35) was due to the Authority for net inter-entity transactions.

Note 23 Related Parties (continued)

(c) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

	2000					1999
	Direct Authority Funding	Y2K Funding	Direct Alberta Health Funding	Approved Patient Fees and Charges	Total	Total
Voluntary						
St. Michael's Health Centre	$ 7,542	$ 72	$ -	$ 1,928	$ 9,542	$ 9,575
Coaldale Health Care Centre	2,703	29	-	466	3,198	3,106
Victorian Order of Nurses	88	-	-	46	134	138
Private					-	
Edith Cavell Nursing Home	2,896	-	-	903	3,799	3,561
Extendicare - Lethbridge	3,529	-	-	1,120	4,649	4,390
Extendicare - Fort Macleod	1,494	-	184	490	2,168	2,009
	$ 18,252	$ 101	$ 184	$ 4,953	$ 23,490	$ 22,779
Reporting in the following expense categories:						
Facility based inpatient acute services					$ 670	$ 650
Facility based emergency and outpatient services					405	393
Facility based continuing care services					13,652	12,905
Community and home based services					134	138
Diagnostic and therapeutic services					1,623	1,557
Administration					1,334	1,399
Year 2000 remedial costs					101	57
Support services					5,571	5,680
					$ 23,490	$ 22,779

The Authority has an economic interest in the above organizations.

Note 24 **Commitments**

The Authority is committed to future capital upgrade projects in the amount of $5,199.

The Authority has entered into various commitments for the purchase of consumables, reagents and chemicals. The commitments expire at various dates to December 2003.

Note 25 **Comparative Figures**

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 26 **Approval of Financial Statements**

These financial statements have been approved by the Authority.

Schedule 1

CHINOOK REGIONAL HEALTH AUTHORITY
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	$ 100,111	$ 102,122	$ 96,070
Contracts with health service operators (Note 23(c))	18,258	23,490	22,779
Drugs, gases, medical and surgical supplies	7,583	8,535	7,713
Consulting services	2,902	3,497	3,808
Interest on long term debt	76	152	76
Other	33,799	28,926	25,894
Amortization:			
Equipment	2,632	3,106	2,652
Facilities and improvements	6,577	5,955	6,155
	171,938	175,783	165,147
Less amounts reported in ancillary operations (Note 17)	(899)	(900)	(1,176)
	$ 171,039	$ 174,883	$ 163,971

Schedule 2

CHINOOK REGIONAL HEALTH AUTHORITY
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SERVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

		2000					Severance			1999				
		Average	Number of Individuals	Salaries and Honoraria	Benefits and Allowances	Sub-total	Number of Individuals	Amount	Total	Average	Number of Individuals	Salaries and Benefits	Severance	Total
Authority Member Compensation														
Chairperson	Edm, Frank		1	$ 24	$	$ 24		$	$ 24		1	$ 26	$	$ 26
Members	Bennett, Michael		1	8		8			8		1	11		11
	Bergen, Peter		1	7		7			7		1	5		5
	Bianchini, Aldo		1	13	1	14			14		1	12		12
	Burnham, Richard C		1	12		12			12		1	12		12
	Cahoon, Bryce										1	1		1
	Elenga, Ruth		1	8		8			8		1	9		9
	Klassen, Stanley C		1	7		7			7		1	4		4
	Kovach, Belle										1	4		4
	Lowry, David		1	8		8			8		1	8		8
	Mura, Sam		1	8		8			8		1	7		7
	Milliken, Bruce										1	3		3
	Olsen, Thaine		1	9		9			9		1	7		7
	Paterson, Beverley		1	16	1	17			17		1	15		15
	Reese, Hovey		1	3		3			3		1	7		7
	Schindeler, Douglas J		1	6		6			6		1	5		5
	Switzer, Mark										1	2		2
	Voorhorst, John										1	2		2
	Williams, Richard C		1	12		12			12		1	10		$ 10
Total honoraria			14	141	2	143			143		19	152		152
Staff Compensation														
Chief Executive Officer			1	178	25	$ 203			$ 203		1	171		171
Management reporting to CEO														
VP - Medical Services			1	201		201			201		1	197		197
VP - Community Health			1	137	14	151			151		1	141		141
VP - Regional Programs			1	105	14	119			119		1	102		102
VP - Finance & Administration			1	88	12	100			100		1	96		96
VP - Support Services			1	84	13	97			97		1	97		97
Director of Public Relations			1	71	8	79			79		1	87		87
Director of Foundations and Fundraising			1	60	11	71			71		1	79		79
Director of Human Resources			1	78	12	90			90		1	82		82
Management reporting to above		$ 80	32.65	2,330	361	2,691	1	161	2,852	$ 80	32.18	2,355	81	2,436
Other management		58	106.53	4,955	845	5,800	2	44	5,844	56	103.85	5,283	31	5,314
Medical doctors not included above		16	35.64	1,209	32	1,241			1,241	42	35.51	1,455		1,455
Regulated nurses not included above		54	806.65	34,959	5,694	40,653			40,653	52	781.66	37,570		37,570
Other health technical and professionals		57	313.81	14,241	2,300	16,541			16,541	54	305.70	15,320	20	15,340
Unregulated health service providers		28	180.16	4,074	649	4,723			4,723	27	182.86	4,655		4,655
Other staff		32	727.23	18,859	3,030	21,889			21,889	32	718.04	21,522		21,522
Pension obligation adjustment					(143)	(143)			(143)			(23)		(23)
Vacation Accrual				7,290	0	7,290			7,290			6,597		6,597
Total staff compensation			2,211.76	88,897	12,877	101,774	3	205	101,979		2,166.80	95,786	132	95,918
Total			2,225.76	$ 89,038	$ 12,879	$ 101,917	3	$ 205	$ 102,122		2,185.80	$ 95,938	$ 132	$ 96,070

Schedule 2 (continued)

SCHEDULE OF SALARIES, BENEFITS, ALLOWANCES AND SEVERANCE

FOR THE YEAR ENDED MARCH 31, 2000

(1) The average number of individuals is calculated based on a total worked and benefit hour, excluding overtime, for a classification divided by the number of hours in a standard work year, except for named individuals. The number of hours in a standard work year, by classification, is as follows

Category	Number of Hours Hospital	Community
Other management	2,023	2,023 and 1,827
Medical doctors	2,023	-
Regulated nurses	1,920	2,023 and 1,920
Other health technical and professionals	2,023	1,827
Unregulated health service providers	2,023	1,827
Other staff	2,023 and 2,088	2,023 and 1,827

Total actual discrete number of individuals employed March 31, 2000 was 3,003.

(2) Salary includes worked salaries, bonuses, overtime, lump sum payments, honoraria, and statutory holiday on an accrual basis.

(3) Benefits and Allowances include contributions or payment made on behalf of employees including Canada Pension Plan, Employment Insurance, Employment Insurance Rebate plan, pension plans, health care, supplementary health care, dental care, out of country medical benefits, Workers' Compensation Board premiums, long and short-term disability insurance plans, supplementary unemployment benefit plan, group life insurance, car allowances, professional membership and moving expenses.

(4) Severance includes all monies paid directly or on behalf of an employee upon termination that do not relate to salaries and benefits. The number of individuals receiving severances disclosed in the schedule is the discrete number of individuals.

(5) Average salary and benefits amounts exclude severance payments.

(6) Bryce Cahoon, John Voorhorst, Bruce Milliken, Belle Kovach, Mark Switzer were paid an honoraria from April 1998 to June 1998. Peter Bergen, Stanley C. Klassen, Thaine Olsen, Douglas J. Schindeler were paid an honoraria from September 1998 to March 1999.

(7) This schedule includes one position that was paid on a purchase service basis but has been included for comparison purposes.

Schedule 3

CHINOOK REGIONAL HEALTH AUTHORITY
THREE YEAR SUMMARY OF REVENUES AND EXPENSES FOR THE PERIOD COMMENCING APRIL 1, 1998

(thousands of dollars)

	Actual		
	2000	1999	1998
Revenues			
Alberta Health and Wellness contributions	$ 152,248	$ 138,874	$ 131,937
Other government contributions	2,222	2,287	2,355
Fees and charges	12,660	12,116	11,598
Ancillary operations, net	498	372	253
Donations	313	372	434
Investment and other income	3,241	2,608	2,067
Amortization of external capital contributions	7,427	7,325	7,558
	178,609	163,954	156,202
Expenses			
Facility based inpatient acute services	43,556	42,057	39,108
Facility based emergency and outpatient services	9,394	8,655	8,323
Facility based continuing care services	25,228	23,447	22,774
Community and home based services	9,419	8,857	8,577
Diagnostic and therapeutic services	32,008	29,248	26,180
Promotion, prevention and protection services	5,829	5,411	5,325
Administration	8,008	7,483	8,947
Information technology and Alberta Wellnet	3,142	1,513	-
Year 2000 remedial costs	637	1,259	-
Support services	31,750	30,157	29,782
Amortization of facilities and improvements	5,912	5,884	5,210
Capital asset write down	-	-	118
	174,883	163,971	154,344
Excess of revenues over expenses before unallocated pension adjustment	3,726	(17)	1,858
Unallocated pension adjustment (Note 11)	-	-	-
Excess of revenues over expenses	$ 3,726	$ (17)	$ 1,858

Financial Statements of

PALLISER HEALTH AUTHORITY

March 31, 2000

Statement of Management Responsibility
Auditors' Report
Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
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Schedule 1 - Schedule of Expenses by Object
Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance
Schedule 3 - Three Year Summary of Revenue and Expenses

AUDITORS' REPORT

TO THE MEMBERS OF THE PALLISER HEALTH AUTHORITY AND THE MINISTER OF ALBERTA HEALTH

We have audited the statement of financial position of the **Palliser Health Authority** as at March 31, 2000 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Johnston, Morrison, Hunter & Co.
CHARTERED ACCOUNTANTS

MEDICINE HAT, ALBERTA
MAY 19, 2000

PALLISER HEALTH AUTHORITY
Statement of Management's Responsibility for Financial Reporting
March 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained and assets are adequately accounted for and safeguarded. The Authority has also established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Corporate Services Committee. This Committee meets with management, and the external auditors, Johnston, Morrison, Hunter & Co. to discuss and review financial matters, and recommends the financial statements to the Palliser Health Authority Board for approval. The external auditors have full and free access to the Corporate Services Committee.

The external auditors provide an independent audit of the financial statements. Their examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

TH Seaman

Tom Seaman
President

Richard Van Orman
Vice President, Corporate/Support Services

PALLISER HEALTH AUTHORITY
Statement of Financial Position
March 31, 2000
(thousands of dollars)

	2000	1999
Assets		
Current assets:		
Cash and short term investments (note 3)	$11,341	$8,047
Accounts receivable	1,833	1,657
Contributions receivable	3,642	0
Inventories	665	536
Prepaid expenses	263	846
	17,744	11,086
Non current investments (note 4)	14,343	13,125
Capital assets (note 5)	75,372	76,215
	$107,459	$100,426
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accruals	$6,483	$4,702
Accrued vacation pay	4,084	3,890
Deferred contributions (note 6)	4,437	1,528
	15,004	10,120
Pension plan obligation (note 7)	300	300
Unamortized external capital contributions (note 8)	69,833	71,368
Net assets:		
Unrestricted (note 9)	2,144	13,384
Internally restricted (note 9)	14,639	407
Investment in capital assets	5,539	4,847
	22,322	18,638
	$107,459	$100,426

The accompanying notes and schedules are part of these financial statements.

PALLISER HEALTH AUTHORITY

Statement of Operations
Year ended March 31, 2000
(thousands of dollars)

	Budget	2000 Actual	1999 Actual
	(unaudited - note 10)		
Revenue:			
Alberta Health and Wellness contributions (note 11)	$84,492	$84,492	$75,566
Other government contributions (note 12)	2,135	2,135	2,049
Fees and charges	10,419	10,419	9,976
Ancillary operations, net (note 13)	274	274	255
Donations	319	319	289
Investment and other income (note 14)	2,091	2,091	2,048
Amortization of external capital contributions (note 8)	3,745	3,745	3,725
	103,475	103,475	93,908
Expenses (schedule 1):			
Facility based inpatient acute services	24,162	24,162	22,812
Facility based emergency and outpatient services	4,124	4,124	3,725
Facility based continuing care services	16,141	16,141	15,183
Community and home based services	5,362	5,362	4,731
Diagnostic and therapeutic services	17,393	17,393	16,541
Promotion, prevention and protection services	2,691	2,691	2,426
Administration (note 15)	4,696	4,696	4,324
Information technology and Wel/net (note 16)	1,263	1,263	1,182
Year 2000 remedial costs (note 17)	658	658	1,007
Support services (note 18)	20,130	20,130	19,353
Amortization of facilities and improvements	3,171	3,171	3,164
	99,791	99,791	94,448
Excess (deficiency) of revenue over expenses	$3,684	$3,684	($540)
		A	

Footnote A - Excess of Revenue over Expenses for 2000 of $3,684

The excess of revenue over expenses includes additional unrestricted Alberta Health and Wellness funding received in the latter part of the fiscal year of $3,727 (note 10). The deficiency of revenue over expenses before the additional funding was $43

PALLISER HEALTH AUTHORITY

Statement of Changes in Net Assets
Year ended March 31, 2000
(thousands of dollars)

	Unrestricted	Internally Restricted	Investment in Capital Assets	2000 Total	1999 Total
	(Note 9)	(Note 9)			
Excess (deficiency) of revenue over expenses	3,684			3,684	(540)
Capital assets purchased with internal funds (net of disposals)	(2,035)		2,035	0	0
Amortization on internally funded capital assets	1,343		(1,343)	0	0
Net change to unrestricted net assets	2,992				
Transfer to / from Internally Restricted	(14,232)	14,232		0	0
Net assets, beginning of year	$13,384	$407	$4,847	$18,638	$19,178
Net assets, end of year	$2,144	$14,639	$5,539	$22,322	$18,638

PALLISER HEALTH AUTHORITY

Statement of Cash Flows
Year ended March 31, 2000
(thousands of dollars)

Cash generated from (used by):	Budget *(unaudited - note 10)*	2000 Actual	1999 Actual
Operating activities:			
Excess (deficiency) of revenue over expenses	*$3,684*	$3,684	($540)
Non cash transactions:			
Amortization of capital assets - internally funded	*1,343*	1,343	1,127
Amortization of capital assets - externally funded	*3,774*	3,774	3,754
Amortization of deferred capital contributions	*(3,774)*	(3,774)	(3,754)
Change in non-cash working capital:			
Accounts receivable		(176)	638
Contributions receivable		(3,642)	2,624
Inventories		(129)	13
Prepaid expenses		583	(182)
Accounts payable and accruals		1,781	(930)
Accrued vacation pay		194	342
Deferred contributions		2,909	(1,755)
	5,027	6,547	1,337
Investing activities:			
Purchase of capital assets:			
Internally funded - equipment	*(1,750)*	(2,035)	(1,104)
Externally funded - equipment	*(1,700)*	(1,204)	(1,355)
Externally funded - facilities and improvements		(1,035)	(976)
Purchase of non current investments		(3,831)	(74)
Proceeds on sale of non current investments		2,613	4,972
	(3,450)	(5,492)	1,463
Financing activities:			
Capital contributions received	*1,700*	2,239	2,331
	1,700	2,239	2,331
Increase (decrease) in cash and short term investments	*3,277*	3,294	5,131
Cash and short term investments, beginning of year	*8,047*	8,047	2,916
Cash and short term investments, end of year	*$11,324*	$11,341	$8,047

PALLISER HEALTH AUTHORITY

Notes to the Financial Statements
March 31, 2000
(thousands of dollars)

1. Authority, Purpose and Operations

The Palliser Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in south-eastern Alberta ("the Region"). This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

Alfred Egan Home (Bow Island)
Bassano Health Centre
Bow Island Health Centre
Bow Island Community Health Office
Brooks Health Centre
Brooks Home Care Office
Empress Health Centre
Medicine Hat Regional Hospital
Medicine Hat Community Health Office - Dunmore Road
Oyen Big Country Hospital
Oyen Health Office

These financial statements do not include the assets, liabilities and operations of voluntary or private facilities providing health services in the Region, except to the extent disclosed in Note 21.

2. Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the reporting requirements of Financial Directive 16 issued by Alberta Health. The following are the significant accounting policies:

a) Revenue Recognition

(i) Unrestricted Non-Capital Contributions

Unrestricted operating grants and other contributions are recognized as revenue in the year when receivable.

(ii) Restricted Non-Capital Contributions

Externally restricted non-capital contributions are recognized as revenue in the year when the related expenses are incurred.

2. Significant Accounting Policies and Reporting Practices (continued)

(iii) Restricted Capital Contributions

Externally restricted capital contributions are recorded as Deferred Contributions until the contribution is invested in capital assets. Amounts invested, representing externally funded capital assets, are then transferred to Unamortized External Capital Contributions.

Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Externally restricted capital contributions for the purchase of land are recorded as direct increases to Investment in Capital Assets.

(iv) Asset and Service Contributions

Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services of volunteers are not reported in these financial statements.

b) Services Contracted from Voluntary and Private Health Operators

The Authority accounts for all revenues and costs related to services carried out for which it is responsible.

The Authority contracts with voluntary and private operators to provide health services in the region. Where funding for such services is paid directly to the voluntary or private agency by Alberta Health and Wellness, the amount of such funding is reflected as Alberta Health and Wellness contributions and an equivalent amount is recorded as contracted health service expense of the Authority.

Revenue earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service expense of the Authority.

c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

2. Significant Accounting Policies and Reporting Practices (continued)

c) Pension Plan Expense and Obligation (continued)

The pension cost included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plans' total unfunded liability to participating employers.

d) Investments

Short-term investments are recorded at the lower of cost and market value.

Non current investments are recorded at cost unless there has been a permanent reduction in value. At that time the value is reduced. Any discounts or premiums arising on purchase are amortized using the straight-line method over the period to maturity. Gains or losses realized on disposal are recognized in the period of disposal.

e) Financial Instruments

The carrying value of accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

f) Inventories

Inventories are valued at the lower of cost or net realizable value, with cost determined by the average cost method.

g) Capital Assets

Capital assets and construction projects in progress are recorded at cost. Capital assets with unit costs less than five thousand dollars are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Buildings	40 years
Land improvements	20 years
Building service equipment	20 years
Vehicles and equipment	5-20 years

Construction projects in progress are not amortized until the project is complete.

PALLISER HEALTH AUTHORITY
Notes to the Financial Statements
March 31, 2000
(thousands of dollars)

3. Cash and Short Term Investments

	2000	1999
Cash	$ 7,650	$ 1,285
Term deposits and guaranteed investment certificates	0	2,109
Bonds	3,424	4,380
Interest receivable	267	273
	$ 11,341	$ 8,047

Term deposits and guaranteed investment certificates have effective yields of 0% (1999 - 4.40% to 5.10%). Bonds have effective yields of 5.20% to 9.83% (1999 – 4.83% to 8.69%).

4. Non Current Investments

The Authority pools its investment funds with Health Foundations within the Region. The investments are held in the Authority's name and consist of the following:

	2000	1999
Bonds	$ 17,866	$ 16,339
Less Health Foundations' funds	(3,523)	(3,214)
	$ 14,343	$ 13,125

Bonds have effective yields of 5.10% to 11.25% (1999 – 5.10% to 11.25%).

Total pooled funds have a market value of $57 less than book value (1999 - $624 in excess of book value). Valuation of Bonds has been obtained from independent brokerage firms.

At the fiscal year end, the investments have the following maturity structure:

	2000	1999
1 to 5 years	41%	54%
6 to 10 years	42%	42%
11 to 15 years	17%	4%
	100%	100%

PALLISER HEALTH AUTHORITY
Notes to the Financial Statements
March 31, 2000
(thousands of dollars)

5. Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 852	$ -	$ 852	$ 852
Buildings	108,046	44,912	63,134	64,855
Land improvements	2,533	1,967	566	677
Building service equipment	12,641	9,039	3,602	3,298
Vehicles and equipment	21,100	14,354	6,746	5,423
Construction projects in progress	472	-	472	1,110
	$ 145,644	$ 70,272	$ 75,372	$ 76,215

Capital assets have been funded from the following sources:

	2000	1999
Externally funded (Unamortized External Capital Contributions)	$ 69,833	$ 71,368
Internally funded (Investment in Capital Assets)	5,539	4,847
	$ 75,372	$ 76,215

6. Deferred Contributions

Deferred contributions reflects transactions accounted for in accordance with the accounting policies for restricted non-capital and capital contributions described in Note 2 (a) (ii) and Note 2 (a) (iii).

	2000	1999
Deferred contributions, beginning of year	$ 1,526	$ 3,283
Amounts received:		
Alberta Health and Wellness contributions	938	2,501
Other government contributions	976	1,498
Donations	360	208
Investment and other revenue	35	0
Amounts receivable (net of prior year receivable):		
Alberta Health and Wellness contributions	3,497	(2,624)
Amounts recognized as revenue:		
Alberta Health and Wellness contributions	(658)	(1,007)
Transferred to:		
Unamortized External Capital Contributions (note 8)	(2,239)	(2,331)
Deferred contributions, end of year	$ 4,437	$ 1,526

6. **Deferred Contributions (continued)**

The Deferred Contributions, end of year, represents amounts externally restricted for the following purposes:

	2000	1999
Year 2000 funding	$ 0	$ 1,141
Healthy Ageing Partnership Initiative	938	0
Alberta Infrastructure grants for capital / renovation projects	214	207
Lottery funding for Equipment	0	180
High Tech Equipment funding	585	0
Wellnet funding for Regional Information System	2,200	0
Health Innovation funding	500	0
	$ 4,437	$ 1,528

7. **Pension Plan Obligation**

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan, which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997, extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997, extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan which will be funded by employers. The unfunded liabilities of the Local Authorities Pension Plan and Public Service Pension Plan are to be eliminated by December 31, 2036.

The pension plan obligation is represented as follows:

	2000	1999
Local Authorities Pension Plan	$ 150	$ 150
Public Service Pension Plan	150	150
	$ 300	$ 300

8. **Unamortized External Capital Contributions**

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2 (a) (iii). The balance at the end of year represents external capital contributions that will be recognized as revenue in future years when the related capital asset amortization expense is recorded.

	2000	1999
Unamortized external capital contributions, beginning of year	$ 71,368	$ 72,791
Transferred from:		
Deferred Contributions (note 6)	2,239	2,331
Amounts recognized as revenue:		
Amortization of External Capital Contributions	(3,745)	(3,725)
Ancillary operations	(29)	(29)
Unamortized external capital contributions, end of year	$ 69,833	$ 71,368

9. **Unrestricted and Internally Restricted Net Assets**

The balance of unrestricted and internally restricted net assets is as follows:

	2000	1999
Unrestricted net assets	$ 2,144	$ 13,384
Internally restricted net assets (for future equipment replacement)	14,639	407
	$ 16,783	$ 13,791

The change in the balance of unrestricted and internally restricted net assets since April 1, 1995 (regionalization) is as follows:

	2000	1999
Unrestricted and internally restricted net assets at April 1, 1995	$ 9,564	$ 9,564
Changes since regionalization:		
Cumulative operating surplus	5,045	2,745
Invested in capital assets (net of amortization)	2,174	1,482
	$ 16,783	$ 13,791

PALLISER HEALTH AUTHORITY
Notes to the Financial Statements
March 31, 2000
(thousands of dollars)

10. Budget (unaudited)

	Approved Budget (a)	Additional Funding (b)	Adjustments (c)	Reported Budget
Revenue:				
Alberta Health and Wellness contributions	$80,107	$3,727	$658	$84,492
Other government contributions	2,185	(50)		2,135
Fees and charges	10,493	(74)		10,419
Net ancillary operations	203	71		274
Donations	240	79		319
Investment and other income	1,801	290		2,091
Amortization of external capital contributions	3,750	(5)		3,745
	98,779	4,038	658	103,475
Expenses:				
Facility based inpatient acute services	22,739	925	498	24,162
Facility based emergency & outpatient services	4,148	(24)		4,124
Facility based continuing care services	19,839	216	(3,914)	16,141
Community and home based services	6,151	(711)	(78)	5,362
Diagnostic and therapeutic services	17,169	256	(32)	17,393
Promotion, prevention and protection services	2,481	131	79	2,691
Administration	5,225	217	(746)	4,696
Information technology and We//net	390	0	873	1,263
Year 2000 remedial costs	0	0	658	658
Support services	16,817	(7)	3,320	20,130
Amortization of facilities and improvements	3,200	(29)		3,171
	98,159	974	658	99,791
Excess of revenue over expenses	$620	$3,064	$0	$3,684

(a) **Approved Budget** - The budget was submitted to the Minister for Health and Wellness in June 1999.

(b) **Additional Funding** - Reflects additional funding received in December 1999. This funding was allocated by the Authority to cover deficits and surpluses arising in departments during the fiscal year.

(c) **Adjustments** - Budget figures have been reclassified, where necessary, to conform to the 2000 actuals presentation.

PALLISER HEALTH AUTHORITY
Notes to the Financial Statements
March 31, 2000
(thousands of dollars)

11. Alberta Health and Wellness Contributions

	Budget *(unaudited)*	2000	1999
Unrestricted contributions	*$ 83,625*	$ 83,625	$ 74,350
Year 2000 remedial costs funding (note 6)	*658*	658	1,007
Restricted contributions made directly by Alberta Health and Wellness to contract operators	*209*	209	209
	$ 84,492	$ 84,492	$ 75,566

12. Other Government Contributions

	Budget *(unaudited)*	1999	1998
Alberta Infrastructure - grants for non-capital projects	$ -	$ -	$ 72
Persons with Developmental Disabilities – grants for the operation of the Alfred Egan Home residential facility	*2,135*	2,135	1,977
	$ 2,135	$ 2,135	$ 2,049

13. Ancillary Operations

				2000	1999
	Budget *(unaudited)*	Non-Patient Food Services	Other Ancillary Oper-ations	Total	Total
Revenue:					
Operating revenue		$ 606	$ 552	$ 1,158	$ 1,093
Amortization of external capital contributions			29	29	29
Direct Expenses:					
Other expenses		(606)	(275)	(881)	(835)
Amortization		(3)	(29)	(32)	(32)
Excess of revenue over expenses	*$ 274*	($ 3)	$ 277	$ 274	$ 255

Ancillary operations consist of the sale of goods and services that are not related to the direct provision of health services. Other Ancillary Operations include rental operations (RRC building), supported independent living (Bow Island) and parking operations (Medicine Hat).

14. Investment and Other Income

	Budget (unaudited)	2000	1999
Investment income		$ 1,550	$ 1,503
Other income		541	545
	$ 2,091	$ 2,091	$ 2,048

Investment income comprises interest, amortization of discounts and premiums and net gains on disposal of investments.

Other income comprises WCB compensation, rental income and miscellaneous recoveries.

15. Administration

	Budget (unaudited)	2000	1999
General administration		$ 2,285	$ 2,248
Finance		894	810
Personnel		813	598
Administration – contract operators (note 21)		704	668
	$ 4,696	$ 4,696	$ 4,324

16. Information Technology and We//net

	Budget (unaudited)	2000	1999
Alberta We//net		$ 390	$ 362
Information systems support		873	820
	$ 1,263	$ 1,263	$ 1,182

Alberta We//net is the province wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professional into multi-disciplinary teams to put information technology to work to improve the delivery of health services to all Albertans.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999/2000 or to develop applications to support We//net initiatives. In accordance with Generally Accepted Accounting Principles, all contributions to We//net have been expensed.

17. Year 2000 Remedial Costs

These costs relate to the replacement of equipment and systems, which were date sensitive to the year 2000. These costs have been supported through restricted grant funding from Alberta Health and Wellness.

The most significant date concerning the year 2000 issue was December 31, 1999 but there are other dates during calendar year 2000 when date related computer systems problems could occur. Therefore, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority have been fully resolved.

18. Support Services

	Budget (unaudited)	2000	1999
Building maintenance, operations and security		$ 5,230	$ 5,207
Education		639	523
Housekeeping		2,476	2,388
Laundry and linen		1,259	1,205
Materials management		1,467	1,315
Patient food services		3,150	3,077
Patient health records		1,025	951
Patient registration		914	868
Patient transportation		575	480
Other		75	66
Support services – contract operators (note 21)		3,320	3,273
	$ 20,130	$ 20,130	$ 19,353

19. Related Party – Alberta Health and Wellness

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and Alberta Health and Wellness are disclosed in the Statement of Operations and in note 11 to the financial statements.

20. Related Parties - Community Health Foundations

The Authority formed six Foundations in 1996 and has the ability to appoint two of the Authority's Members to each Foundation board.

The Foundations were incorporated under the Regional Health Authorities Act and are registered charities under the Income Tax Act. The Foundations primary activities are to raise funds for the improvement of health care services within their respective communities.

The Foundations are not consolidated in the financial statements of the Authority.

The Authority provides certain fundraising, financial services and administrative support to the Foundations. Because of the difficulty in determining its fair value, this assistance is not reported in the financial statements.

20. Related Parties - Community Health Foundations (continued)

Resources held by the Foundations at the end of the year, representing funds which must be used for specific communities, are as follows:

	Unres-tricted	Externally Restricted	2000 Total	1999 Total
Bassano & District Health Foundation	$ 32	$ 17	$ 49	$ 51
Bow Island & District Health Foundation	21	20	41	32
Brooks & District Health Foundation	52	151	203	152
Empress & District Health Foundation	11	8	19	9
Medicine Hat & District Health Foundation	2,725	440	3,165	2,921
Oyen & District Health Care Foundation	109	24	133	125
	$ 2,950	$ 660	$ 3,610	$ 3,290

Contributions received by the Authority during the year, representing the purchase of capital and non-capital items selected by the Foundations, are as follows:

	2000	1999
Bassano & District Health Foundation	$ 17	$ 16
Bow Island & District Health Foundation	70	20
Brooks & District Health Foundation	131	94
Empress & District Health Foundation	1	3
Medicine Hat & District Health Foundation	419	344
Oyen & District Health Care Foundation	41	19
	$ 679	$ 496

21. Related Parties - Voluntary and Private Health Service Contract Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

				2000	1999
Facility Name	Direct Authority Funding	Direct Alberta Health Funding	Approved Patient Fees & Charges	Total	Total
Central Park Lodge	$ 3,979	$ 209	$ 1,500	$ 5,688	$ 5,572
Sunnyside Nursing Home	2,818		1,200	4,018	3,942
Medicine Hat Diag. Laboratory	2,836			2,836	2,701
Other	1,662			1,662	1,283
	$ 11,295	$ 209	$ 2,700	$ 14,204	$ 13,498

21. Related Parties - Voluntary and Private Health Service Contract Operators (continued)

The payments to contract operators have been reported in the following expense categories:

	2000	1999
Facility based continuing care services	$ 5,792	$ 5,630
Community and home based services	459	186
Diagnostic and therapeutic services	3,540	3,397
Promotion, prevention and protection services	389	344
Administration	704	668
Support services	3,320	3,273
	$ 14,204	$ 13,498

22. Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

23. Approval of Financial Statements

These financial statements have been approved by the Authority.

Schedule 1

PALLISER HEALTH AUTHORITY

Schedule of Expenses by Object
Year ended March 31, 2000
(thousands of dollars)

	Budget *(unaudited)* *(Note 10)*	2000 Actual	1999 Actual
Salaries, benefits, allowances & severance (schedule 2)		$64,522	$60,381
Contracts with health service operators (note 21)		14,204	13,498
Drugs, gases, medical and surgical supplies		5,067	4,646
Consulting services		209	232
Other expenses		11,585	11,677
Amortization:			
Equipment - internally funded		1,343	1,127
Equipment - externally funded		574	561
Facilities and improvements		3,200	3,193
Less amounts reported in ancillary operations (note 13)		(913)	(867)
	$99,791	$99,791	$94,448

Schedule 2(a)

PALLISER HEALTH AUTHORITY

Schedule of Salaries, Honoraria, Benefits, Allowances and Severance
Year ended March 31, 2000
(thousands of dollars)

	2000						1999				
	FTE (a)	Salaries and Honoraria (b)	Benefits and Allowances (c)	Severance (d)	Total	Average salaries & benefits	FTE (a)	Salaries, Benefits & Allowances (b) (c)	Severance (d)	Total	Average salaries & benefits
Authority / Board Compensation:											
John Boksteyn (Chair)		$27			$27			$26		$26	
Allan Flemmer								3		3	
Larry Gillespie		9			9			7		7	
Jim Hern		8			8			8		8	
Leo Hill		9			9			8		8	
John Lydsman								3		3	
Margaret Loewen								6		6	
Albert McFadyen		8			8			7		7	
Len Mitzel		9			9			8		8	
Leva Olstad		9			9			5		5	
Dorothy Pairy		10			10			10		10	
Audrey Redmond								3		3	
Lynne Sangster		6			6			6		6	
Ken Sauer		8			8			7		7	
Carol Secondiak		9			9			4		4	
Noel Sharp		10			10			9		9	
Ann Zukowski		10			10			5		5	
		$132			$132			$125		$125	
Staff:											
President / Chief Executive Officer	1.0	$125	$18		143		1.0	$138		$138	
Senior Vice President Health Services	1.0	107	15		122		1.0	111		111	
Vice President Corporate / Support Services	1.0	98	16		114		1.0	106		106	
Vice President Community Development & Health Promotion	1.0	84	16		100		1.0	93		93	
Regional Chief of Staff	1.0	209			209		1.0	166		166	
Other Management reporting to those above	25	1,613	251		1,864	$75	26	1,827		1,827	$70
Other Management	44	2,580	402		2,982	$69	45	2,887		2,887	$64
Medical Staff not included above (b)		2,414			2,414			1,933		1,933	
Regulated Nurses not included above	479	22,671	3,529		26,200	$55	457	23,978		23,978	$52
Other Health Technical & Professional	154	7,424	1,156		8,580	$56	155	8,262		8,262	$53
Unregulated Health Service Providers	186	4,511	702		5,213	$28	184	5,035		5,035	$27
Other Staff	489	14,233	2,216		16,449	$34	485	15,720		15,720	$32
Pension Obligation Adjustment					0			0		0	
	1382	$56,201	$8,321	$0	$64,522		1357	$60,381	$0	$60,381	

The accompanying notes (a) to (e) are part of this Schedule

PALLISER HEALTH AUTHORITY

Schedule of Salaries, Honoraria, Benefits, Allowances and Severance - Notes
Year ended March 31, 2000
(thousands of dollars)

Schedule 2(b)

(a) FTE

Full time equivalent (FTE) has been determined at the rate of 2,023 annual hours for each full time employee.

Full time equivalent for Authority Members has not been calculated as these individuals are remunerated on a stipend basis.

Full time equivalent for Medical Doctors has not been calculated as these individuals are principally remunerated for services rendered on a non-hourly basis.

The total actual discrete number of individuals employed during the year was 2,167 (1999 - 2,157).

(b) Salaries and Honoraria

Salaries and honoraria include regular base pay, overtime, lumpsum payments, shift differential, honoraria, sick leave, vacation leave and other remuneration.

Medical doctors' salaries represent payments for administrative and medical services. These include fees for medical interpretation, assessment and procedures and payments for departmental administration and teaching.

(c) Benefits and Allowances

Benefits and allowances represent employer contributions or payments made on behalf of employees including:

- Employment insurance
- Canada pension plan
- Provincial pension plan
- Workers compensation
- Health and dental coverage
- Long term and short term disability plans
- Accidental death and dismemberment plans
- Group life insurance

Benefits and allowances also includes the value of the difference between vacation days earned and vacation days taken during the year.

(d) Severance

Severance includes all amounts paid directly or indirectly to individuals upon termination, which are not included in salaries, honoraria, benefits and allowances.

(e) Comparative Figures

Certain 1999 figures have been reclassified to reflect the management structure in place for 2000.

PALLISER HEALTH AUTHORITY

Three Year Summary of Revenue and Expenses
Year ended March 31, 2000
(thousands of dollars)

Schedule 3

	2000	1999	1998
Revenue:			
Alberta Health and Wellness contributions	$84,492	$75,566	$69,600
Other government contributions	2,135	2,049	2,034
Fees and charges	10,419	9,976	9,914
Ancillary operations, net	274	255	266
Donations	319	289	271
Investment and other income	2,091	2,048	2,183
Amortization of external capital contributions	3,745	3,725	3,646
	103,475	93,908	87,914
Expenses:			
Facility based inpatient acute services	24,162	22,812	20,365
Facility based emergency and outpatient services	4,124	3,725	3,880
Facility based continuing care services	16,141	15,183	14,511
Community and home based services	5,362	4,731	4,296
Diagnostic and therapeutic services	17,393	16,541	15,119
Promotion, prevention and protection services	2,691	2,426	2,318
Administration	4,696	4,324	3,921
Information technology and We//net	1,263	1,182	719
Year 2000 remedial costs	658	1,007	0
Support services	20,130	19,353	18,508
Amortization of facilities and improvements	3,171	3,164	3,165
	99,791	94,448	86,802
Excess (deficiency) of revenue over expenses	$3,684	($540)	$1,112
	A		B

Footnote A - Excess of Revenue over Expenses for 2000 of $3,684
The excess of revenue over expenses includes additional unrestricted Alberta Health and Wellness funding received in the latter part of the fiscal year of $3,727 (note 10). The deficiency of revenue over expenses before the additional funding was $43

Footnote B - Excess of Revenue over Expenses for 1998 of $1,112
The excess of revenue over expenses includes a non-cash pension adjustment of $900. The excess of revenue over expenses before the pension adjustment was $212

Headwaters Health Authority

Financial Statements

March 31, 2000

HEADWATERS HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Statement of Management Responsibility

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Statement of Operations

Statement of Changes in Net Assets

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Schedule 2 – Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 – Three Year Summary of Revenue and Expenses

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Headwaters Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the Headwaters Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 31, 2000

HEADWATERS HEALTH AUTHORITY
STATEMENT OF MANAGEMENT RESPONSIBILITY
MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation and are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Corporate Services Committee. This committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Headwaters Health Authority Board for approval. The Auditor General has full and free access to the Corporate Services Committee.

The Auditor General of Alberta provides an independent audit of the financial statements. His examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow him to report on the fairness of the financial statements prepared by management.

Dwight Nelson
Chief Executive Officer

Barb Hambly
Barb Hambly, CMA
Chief Financial Officer

HEADWATERS HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash	$4,769	$5,062
Accounts receivable	782	594
Inventories	731	687
Prepaid expenses	251	52
	6,533	6,395
Non-current cash and investments (Note 3)	3,131	363
Capital assets (Note 4)	35,221	35,611
	$44,885	$42,369
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$2,742	$2,209
Accrued vacation pay	2,064	1,859
Deferred contributions (Note 6)	758	2,031
	5,564	6,099
Deferred capital contributions (Note 7)	1,395	-
Pension plan obligation (Note 8)	92	156
Unamortized external capital contributions (Note 9)	30,271	31,224
	37,322	37,479
Net assets:		
Unrestricted (Note 10)	272	32
Internally restricted (Notes 10 and 11)	2,341	471
Investment in capital assets	4,950	4,387
	7,563	4,890
	$44,885	$42,369

The accompanying notes and schedules are part of these financial statements.

HEADWATERS HEALTH AUTHORITY
STATEMENT OF OPERATIONS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 12)	Actual	Actual
Revenue:			
Alberta Health and Wellness contributions (Note 13)	$49,870	$49,806	$43,364
Other government contributions (Note 14)	1,816	1,606	1,160
Fees and charges	6,901	7,143	7,001
Ancillary operations, net (Note 15)	-	129	34
Donations	256	297	398
Investment and other income (Note 16)	1,034	1,315	1,341
Amortization of external capital contributions (Note 9)	2,185	2,103	2,097
	62,062	62,399	55,395
Expenses (Schedule 1):			
Facility based inpatient acute services	9,720	9,782	8,955
Facility based emergency and outpatient services	2,399	2,834	2,304
Facility based continuing care services	9,361	9,357	8,806
Community and home based services	3,963	3,919	3,370
Diagnostic and therapeutic services	9,702	10,097	9,357
Promotion, prevention and protection services	2,647	2,667	2,162
Administration (Note 17)	4,172	3,844	3,357
Information technology and alberta we net (Note 18)	1,437	751	923
Y2K remedial costs (Note 19)	255	168	237
Support services (Note 20)	14,415	14,346	12,997
Amortization of facilities and improvements	1,825	1,961	1,959
	59,896	59,726	54,427
Excess of revenue over expenses	$2,166	$2,673	$968

HEADWATERS HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2000
(thousands of dollars)

	2000				1999
	Unrestricted	Internally Restricted	Invested In Capital Assets	Total	Total
Excess of revenue over expenses	$2,673	-	-	$2,673	$968
Capital assets purchased with internal funds	(1,048)	-	1,048	-	-
Amortization of internally funded capital assets	485	-	(485)	-	-
Net change to unrestricted net Assets	2,110	-	563	2673	968
Transfers for internal restrictions	(1,870)	1,870	-	-	-
Balance, beginning of year	32	471	4,387	4,890	3,922
Balance, end of year	$272	$2,341	$4,950	$7,563	$4,890

HEADWATERS HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 12)	Actual	Actual
Operating Activities:			
Excess of revenue over expenses	$2,166	$2,673	$968
Non-cash transactions:			
Decrease in unfunded pension obligations	-	(64)	-
Amortization of capital assets:			
Equipment – internally funded	295	359	191
Equipment – externally funded	360	292	278
Facilities & improvements – internally funded	-	126	116
Facilities & improvements – externally funded	1,825	1,835	1,843
Amortization of external capital contributions (Note 9)	(2,185)	(2,127)	(2,121)
	2,461	3,094	1,275
Changes in non-cash working capital (Note 21)	-	(966)	1,414
Cash generated from operations	2,461	2,128	2,689
Investing activities:			
Purchase of capital assets:			
Equipment – internally funded	(1,405)	(1,048)	(987)
Equipment – externally funded	(290)	(279)	(171)
Equipment – externally funded (Y2K remedial)	(365)	(752)	(148)
Facilities & improvements – internally funded	-	-	(20)
Facilities & improvements – externally funded	-	(143)	-
Net change in non-current cash and investments	-	(2,768)	(62)
Cash used by investing activities	(2,060)	(4,990)	(1,388)
Financing activities:			
Capital contributions received	961	2,569	339
Principal payments on long term debt	-	-	(581)
Cash generated from (used by) financing activities	961	2,569	(242)
Increase (decrease) in cash and temporary investments	$1,362	(293)	1,059
Cash and temporary investments, beginning of year		5,062	4,003
Cash and temporary investments, end of year		$4,769	$5,062

HEADWATERS HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000
(thousands of dollars)

Note 1 Authority, Purpose and Operations

Headwaters Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, and Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental wellbeing.

The operations of the Authority include the following facilities and sites:

- Canmore General and Auxiliary Hospital
- Claresholm General Hospital
- High River General and Auxiliary Hospital and Nursing Home
- Little Bow Auxiliary Hospital
- Oilfields General Hospital
- Vulcan Community Health Centre
- Willow Creek Auxiliary Hospital
- Banff Health Unit
- Canmore Health Unit
- Claresholm Health Unit
- High River Health Unit
- Nanton Health Unit
- Okotoks Health Unit

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 22 (c).

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) Basis of Presentation:

These financial statements have been prepared using the deferral method, the key elements of which are:

(1) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable.

(2) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(3) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is expended on capital assets. Amounts expended representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(4) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(5) Unrestricted investment income is recognized in the year it is earned.

(6) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(7) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full cost

The Authority accounts for all costs and revenue related to services carried out for which it is responsible.

The fair value of costs of services is recorded. The fair value transactions recorded consist of the following:

(i) Revenue earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges is recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount is recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or donations, and is recorded as program expenses, since contract payments from the Authority do not include an amount for the use of these facilities.

(iv) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion of the unfunded liability is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

The pension expense included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plans' total unfunded liability to participating employers.

(d) Investments

Temporary investments are recorded at the lower of cost and market. Non-current investments are recorded at cost. Gains or losses realized on disposal are recognized in the period of disposal. Where there has been a loss in value of an investment that is

other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial Instruments

The carrying value of accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items.

(f) Inventories

Inventories are valued at the lower of cost and net realizable value.

(g) Capital Assets

Capital assets are recorded at cost. Amounts less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight line basis:

	Useful Life
Land improvements	20 years
Buildings	40 years
Building service equipment	20 years
Furniture and equipment	5-20 years

Amortization of software under development will commence when it is available for use.

(h) Trust Funds Received by the Authority for Non-owned Facilities

The Authority receives trust funds from Alberta Infrastructure that are to be paid to operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in these financial statements but are disclosed in Note 23.

(i) Measurement Uncertainty

The financial statements, by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect, on the financial statements, of changes in such estimates in future periods could be significant.

Note 3 Non-Current Cash and Investments

	2000	1999
Cash internally restricted for future equipment replacement (Note 11)	$1,664	$341
Cash externally restricted for capital purposes (Note 7)	1,395	-
	3,059	341
Capital assets provided to voluntary health service operators	72	22
	$3,131	$363
Fair value of restricted cash	$3,059	$341

Note 4 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$1,082	-	$1,082	$ 1,082
Land improvements	913	651	262	292
Buildings	72,381	42,546	29,835	31,756
Building service equipment	944	742	202	91
Furniture and equipment	8,169	4,570	3,599	2,390
Software under development	241	-	241	-
	$83,730	$48,509	$35,221	$35,611

Land at the Banff Health Unit has been provided to the Authority at nominal value by the Mineral Springs Hospital under a lease expiring January 30, 2028.

Capital assets have been funded from the following sources:

	2000	1999
Externally funded (unamortized external capital contributions)	$30,271	$31,224
Internally funded (invested in capital assets)	4,950	4,387
	$35,221	$35,611

Note 5 Line of Credit and Debt Limit

The Authority has an unused operating line of credit to a maximum of $1,000. A general security agreement covering accounts receivable and specific equipment has been pledged as security for the operating line of credit. Interest is charged at prime less .25%.

The debt limit of the Authority is calculated by the "percentage of base" method: for 1999 - 2000 the limit was $2,359. At March 31, 2000 there were no short or long term borrowings outstanding.

Note 6 Deferred Contributions

	2000	1999
Amounts received:		
Alberta Health and Wellness contributions	$6	$38
Other government contributions	1,101	951
	1,107	989
Less amounts transferred to:		
Deferred capital contributions (Note 7):		
Alberta Health and Wellness contributions	(837)	(148)
Other government contributions	(37)	(48)
Accounts payable	(151)	-
Less amounts recognized as revenue:		
Alberta Health and Wellness contributions (Note 13)	(180)	(237)
Other government contributions (Note 14)	(1,175)	(797)
Change during the year	(1,273)	(241)
Balance, beginning of year	2,031	2,272
Balance, end of year	$758	$2,031
Unspent amounts at end of year are restricted for the following purposes:		
Renovation projects	$667	$802
Programs	91	67
Year 2000	-	1,162
	$758	$2,031

Note 7 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with the accounting policy described in Note 2(a).

	2000	1999
Amounts received:		
Alberta Health and Wellness contribution	$1,437	$ -
Donations	258	143
Transferred from deferred contributions: (Note 6)		
Alberta Health and Wellness contributions	837	148
Other government contributions	37	48
	2,569	339
Transferred to:		
Unamortized external capital contributions (Note 9)	(1,174)	(339)
Change during the year	1,395	-
Balance, beginning of year	-	-
Balance, end of year	$1,395	$ -
Unspent amounts at end of year restricted for the following purposes:		
Diagnostic imaging equipment	$720	$ -
Healthy Aging Partnership Initiatives	590	-
Software	85	-
	$1,395	$ -

Note 8 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded liability for each plan was determined by actuarial valuations as at December 31, 1998 and extrapolated to March 31, 2000. The comparatives for each plan were determined by extrapolations to March 31, 1999 of actuarial valuations as at December 31, 1997.

	2000	1999
Local Authorities Pension Plan	$74	$60
Public Service Pension Plan	18	96
	$92	$156

The decrease in pension plan obligation has been allocated to programs.

Note 9 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(a). The balance at end of year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
Balance, beginning of year	$31,224	$33,006
Add amounts transferred from deferred capital contributions (Note 7)	1,174	339
Less amounts recognized as revenue:		
Statement of operations	(2,103)	(2,097)
Ancillary operations (Note 15)	(24)	(24)
Balance, end of year	$30,271	$31,224

Note 10 Unrestricted and Internally Restricted Net Assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$(545)	$(545)
Changes since regionalization:		
Cumulative operating surplus	5,869	3,196
Invested in capital assets (net of amortization)	(1,251)	(688)
Repayment of long-term debt	(1,460)	(1,460)
Balance	$2,613	$503
Unrestricted	$272	$32
Internally restricted	2,341	471
	$2,613	$503

Note 11 Internally Restricted Net Assets

Net assets internally restricted represent amounts restricted by the Authority for the following purposes:

	2000	1999
Future equipment replacement	$1,664	$341
Future operating projects	677	130
	$2,341	$471

Note 12 Budget

	Approved Budget (1)	Additional Approved Budget (2)	Unfunded Pension Adjustments (3)	Category Adjustments (4)	Reported Budget
Revenue					
Alberta Health and Wellness contributions	$46,900	$2,970	-	-	$49,870
Other government contributions	1,816	-	-	-	1,816
Fees and charges	7,124	-	-	(223)	6,901
Ancillary operations, net	117	-	-	(117)	-
Donations	256	-	-	-	256
Investment and other income	654	-	-	380	1,034
Amortization of external capital contributions	2,185	-	-	-	2,185
	59,052	2,970	-	40	62,062
Expenses					
Facility based inpatient acute services	10,535	292	2	(1,109)	9,720
Facility based emergency and outpatient services	2,751	67	-	(419)	2,399
Facility based continuing care services	10,469	334	3	(1,445)	9,361
Community and home based services	3,641	355	(33)	-	3,963
Diagnostic and therapeutic services	10,100	185	(8)	(575)	9,702
Promotion, prevention and protection services	2,578	102	(33)	-	2,647
Administration	4,479	304	-	(611)	4,172
Information technology and Wellnet	-	-	-	1,437	1,437
Y2K remedial costs	-	-	-	255	255
Support services	11,719	186	3	2,507	14,415
Amortization of facilities and improvements	1,825	-	-	-	1,825
	58,097	1,825	(66)	40	59,896
Excess of revenue over expenses	$955	$1,145	$66	$ -	$2,166

1) The budget was approved by the Board of Headwaters Health Authority on April 29, 1999 and approved by the Minister of Health and Wellness.

2) On November 15, 1999 the Minister of Health and Wellness approved $275 additional funding to implement recommendations in the Long Term Care Review Policy Advisory Committee's final report. At the end of 1999-2000, an additional $16 was received.

On November 19, 1999 the Minister approved $2,679 one time funding for patient care and to improve access. In addition to the above expenses, the Board approved purchasing $145 of equipment and restricting $1,000 for future equipment replacement.

3) The unfunded pension adjustment arising from change in the pension liability had not been budgeted by the Authority, as this information was not readily available at the time

the budget was approved.

4) Categorization amendments to the Business Plan budget were done to conform to Financial Directive 16.

- On November 18, 1999 the Minister approved $590 capital funding under the Health Aging Partnership Initiative for development of supportive living spaces. And on February 29, 2000 the Minister approved $200 for medical equipment which is planned to be purchased in 2000-2001. This new funding has been added to the approved budget on the Statement of Cash Flows.

Note 13 Alberta Health and Wellness Contributions

	2000		1999
	Budget	Actual	Actual
Unrestricted contributions	$49,444	$49,456	$42,917
Transferred from deferred contributions (Note 6)	256	180	237
Deficit debt elimination funding	-	-	40
Restricted contributions made directly by Alberta Health and Wellness to contracted operators	170	170	170
	$49,870	$49,806	$43,364

Note 14 Other Government Contributions

	2000		1999
	Budget	Actual	Actual
Alberta Infrastructure	$1,428	$865	$714
Other provincial and local government	-	283	13
Federal government	29	27	40
Alberta Cancer Board	-	-	30
Fair value for use of non-owned non-acute care facilities	31	31	31
Fair value for use of non-owned acute care facilities	328	400	332
	$1,816	$1,606	$1,160

Note 15 Ancillary Operations

	2000				1999
	Non-patient Food	Rental	Total	Budget	Total
Revenue	$229	$276	$505	$487	$496
Amortization of external capital contributions (Note 9)	-	24	24	24	24
Expenses	(197)	(127)	(324)	(371)	(354)
Amortization	-	(76)	(76)	(140)	(132)
Excess of revenue over expense	$32	$97	$129	$ -	$34

Note 16 Investment and Other Income

	2000		1999
	Budget	Actual	Actual
Unrestricted investment income	$115	$287	$270
Other income	449	713	535
Other income – contracted operators	470	315	536
	$1,034	$1,315	$1,341

Note 17 Administration

	2000		1999
	Budget	Actual	Actual
General administration	$1,741	$1,754	$1,561
Finance	737	665	657
Personnel	663	498	175
Administration – contracted operators	1,031	927	964
	$4,172	$3,844	$3,357

Note 18 Information Technology and alberta we/net

	2000		1999
	Budget	Actual	Actual
alberta we/net	$226	$ 58	$205
Information systems support	1,211	693	718
	$1,437	$751	$923

alberta we/net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. alberta we/net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or to develop applications to support we/net initiatives. In accordance with Generally Accepted Accounting Principles, $312 (1999 - $nil) have been capitalized and $58 (1999 - $205) have been expensed.

Note 19 Y2K Remedial Costs

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 20 Support Services

	2000		1999
	Budget	Actual	Actual
Central supply	$267	$286	$253
Building maintenance and operations	4,029	3,536	3,179
Communications	324	391	290
Education	286	269	255
Housekeeping	1,319	1,351	1,207
Laundry and linen	658	657	590
Materiels management	633	683	628
Patient food services	2,289	2,347	2,221
Patient health records	679	698	609
Patient registration	558	587	534
Patient transportation	693	876	588
Volunteer services	124	111	100
Support services – contracted operators	2,556	2,554	2,543
	$14,415	$14,346	$12,997

Note 21 Changes in Non-Cash Working Capital

	2000	1999
Accounts receivable	$(188)	$2,006
Inventories	(44)	(8)
Prepaid expenses	(199)	45
Accounts payable	533	(580)
Accrued vacation pay	205	192
Current portion of deferred contributions	(1,273)	(241)
	$(966)	$1,414

Note 22 Related Parties

(a) Province of Alberta

The Authority is established under the Regional Health Authority Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in notes 6, 7, 12, 13 and 14 to the financial statements.

(b) Foundations

Controlled Foundations

The Headwaters Health Authority Foundation was established during fiscal year 1996-1997 and to date has been inactive. The Headwaters Crown Foundation, which was inactive, was dissolved on December 9, 1998 pursuant to an Order in Council by the Lieutenant Governor.

Other Foundations

The Authority has significant influence in three foundations: these foundations solicit funds in the name of, and with the expressed or implicit approval of, the Authority. The Claresholm and District Health Foundation was established during fiscal year 1997-1998 and was activated during 1999-2000.

All the foundations listed raise funds to benefit the Authority and other health related entities. The foundations are registered charities under the Income Tax Act.

Information on the foundations where the Authority has representation on its Board of Directors, together with financial information of these foundations is as follows:

	2000	1999
Contributions received from:		
Claresholm and District Health Foundation	$ -	$ -
High River District Healthcare Foundation	201	163
Oilfields Foundation	56	30
	$257	$193
Administrative support provided to:		
Claresholm and District Health Foundation	$3	$ -
High River District Healthcare Foundation	88	103
Oilfields Foundation	20	20
	$111	$123
Accounts receivable from (payable to):		
Claresholm and District Health Foundation	$ -	$ -
High River District Healthcare Foundation	57	23
Oilfields Foundation	4	16
	$61	$39

	Externally Restricted	Unrestricted
Resources held at March 31, 2000:		
Claresholm and District Health Foundation	$ -	$278
High River District Healthcare Foundation	387	22
Oilfields Foundation	-	42
	$387	$342

Contributions include externally restricted amounts for equipment, programs, research, and education for the specific communities supported by the foundations.

(c) Voluntary and Private Health Service Operators

The Authority has an economic interest in the following voluntary and private health providers as it transfers significant resources to these entities. The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

	2000					1999
	Direct Funding By the Authority	Direct Funding By Alberta Health and Wellness	Fees and Charges and Other Income	Fair Value Adjustments	Total	Total
Vulcan Extendicare	$1,279	$170	$461	$ -	$1,910	$1,826
Mineral Springs Hospital	4,345	-	3,246	560	8,151	8,212
Private plastics clinic	80	-	-	-	80	58
Private physiotherapy	552	-	-	-	552	552
	$6,256	$170	$3,707	$560	$10,693	$10,648

The voluntary and private health service operators expenses are reported in the following expense categories:

	2000	1999
Facility based acute care services	$2,262	$2,256
Facility based emergency and outpatient services	1,075	1,024
Facility based continuing care services	1,787	1,705
Diagnostic and therapeutic services	2,088	2,156
Administration	927	964
Support Services	2,554	2,543
	$10,693	$10,648

Note 23 **Trust Funds**

The Authority receives funds in trust from Alberta Infrastructure for non-owned facilities for capital purposes and facility repairs. These amounts are not reported in these financial statements.

During the year the Authority received $134 (1999 - $781) and disbursed $693 (1999 - $70) for capital and facility repairs for non-owned facilities. The balance of funds held by the Authority is $162 (1999 - $721).

Note 24 **Comparative Figures**

Certain comparative figures have been restated to conform to the current year presentation.

Note 25 **Approval of Financial Statements**

These financial statements have been approved by the Authority.

Schedule 1

HEADWATERS HEALTH AUTHORITY
SCHEDULE OF EXPENSES BY OBJECT
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Salaries, benefits, allowances and severance (Schedule 2)	$32,674	$33,055	$29,461
Contracts with health operators (Note 22(c))	10,742	10,693	10,648
Drugs, gases, medical and surgical supplies	1,721	1,995	1,717
Consulting services	1,584	1,196	1,195
Interest on long term debt	-	-	29
Other	11,206	10,575	9,435
	57,927	57,514	52,485
Amortization:			
Equipment - internally funded	295	359	191
Equipment - externally funded	360	292	278
Facilities and improvements - internally funded	-	126	116
Facilities and improvements - externally funded	1,825	1,835	1,843
	60,407	60,126	54,913
Less amounts reported in ancillary operations (Note 15)	(511)	(400)	(486)
	$59,896	$59,726	$54,427

HEADWATERS HEALTH AUTHORITY

Schedule 2

SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE

MARCH 31, 2000

(thousands of dollars)

	2000				1999	
	Number of FTE's (1)	Salaries & Honoraria (2)	Benefits & Allowances (3)	Total	Number of FTE's (1)	Total
Board Chair – C. Rousseau	1.00	$33	$2	$35	1.00	$30
Board Members						
I. Allen	1.00	8	2	10	1.00	5
P. Anderson	1.00	8	2	10	1.00	8
D. Golding	1.00	9	-	9	1.00	8
D. Lundgren	1.00	4	2	6	1.00	7
K. McNeil	1.00	9	-	9	1.00	8
Board Members with terms commencing October 1, 1998						
L. Boychuk	1.00	5	-	5	0.50	2
B. Dyck	1.00	8	2	10	0.50	4
M. Flanagan	1.00	8	2	10	0.50	4
M. Hammond	1.00	9	1	10	0.50	6
M. Ricketts	1.00	8	3	11	0.50	5
Board Members with term ending October 1, 1998						
S. Chamney	-	-	-	-	0.50	3
L. Dougherty	-	-	-	-	0.50	3
C. Germaniuk	-	-	-	-	0.50	2
C. Jones	-	-	-	-	0.50	2
B.J. Knott	-	-	-	-	0.50	3
T. White	-	-	-	-	0.50	2
Total Honoraria	11.00	109	16	125	11.50	102
Chief Executive Officer	1.00	136	13	149	1.00	138
Staff reporting to the CEO						
Community Health Services Leader (Claresholm)	0.67	48	6	54	-	-
Human Resources	1.00	85	10	95	1.00	88
Community Wellness	1.00	85	11	96	0.75	61
Health Services	1.00	89	12	101	1.00	102
Support Services	1.00	85	12	97	1.00	89
Strategies, Communications and Research	0.67	64	8	72	0.75	62
Finance and Information Technology	1.00	73	10	83	0.75	55
Regional Medical Director	0.40	55	-	55	0.40	52
Other management person(s) reporting to those above (avg. 2000 $80, avg. 1999 $72)	10.10	708	101	809	11.75	843
Other management person(s) (avg. 2000 $50, avg. 1999 $49)	77.15	3,570	249	3,819	71.37	3,473
Regulated nurses not included above (avg. 2000 $53, avg. 1999 $51)	219.74	10,095	1,579	11,674	209.94	10,592
Other health technical and professionals (avg. 2000 $54, avg. 1999 $52)	96.49	4,510	705	5,215	86.42	4,500
Unregulated health services providers (avg. 2000 $28, avg. 1999 $29)	87.59	2,126	333	2,459	79.42	2,294
Other Staff (avg. 2000 $34, avg. 1999 $30)	242.77	7,047	1,105	8,152	230.24	7,010
	752.58	$28,885	$4,170	$33,055	707.29	$29,461

Schedule 2 (continued)

SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE

1) Full time equivalent (FTE) has been determined using 2,022.75 hours per year for all categories of employees. Total actual discrete number of individuals employed was 1,316 (1999 – 1,253).

2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

3) Benefits and allowances include the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance and workers compensation.

4) Automobiles provided to the Chief Executive Officer and the Vice-President, Health Services are not included in the value of benefits disclosed on the schedule.

5) No severance was paid.

Schedule 3

HEADWATERS HEALTH AUTHORITY
THREE YEAR SUMMARY OF REVENUE AND EXPENSES
MARCH 31, 2000
(thousands of dollars)

	Actual		
	2000	1999	1998
Revenue:			
Alberta Health and Wellness contributions	$49,806	$43,364	$40,868
Other government contributions	1,606	1,160	954
Fees and charges	7,143	7,001	6,729
Ancillary operations, net	129	34	119
Donations	297	398	327
Investment and other income	1,315	1,341	955
Amortization of external capital contributions	2,103	2,097	2,574
	62,399	55,395	52,526
Expenses:			
Facility based inpatient acute services	9,782	8,955	8,014
Facility based emergency and outpatient services	2,834	2,304	2,187
Facility based continuing care services	9,357	8,806	8,514
Community and home based services	3,919	3,370	3,149
Diagnostic and therapeutic services	10,097	9,357	8,410
Promotion, prevention and protection services	2,667	2,162	1,961
Administration	3,844	3,357	3,270
Information technology and alberta we//net	751	923	672
Y2K remedial costs	168	237	-
Support services	14,346	12,997	12,252
Amortization of facilities and improvements	1,961	1,959	1,968
	59,726	54,427	50,397
Excess of revenue over expenses	$2,673	$968	$2,129

A three year summary of revenue and expenses on a pro-forma basis has not been provided, as there have been no changes in boundaries or transfers of programs during this period.

Calgary Regional Health Authority

Consolidated Financial Statements

March 31, 2000

CALGARY REGIONAL HEALTH AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Statement of Management Responsibility for Financial Reporting

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Changes in Net Assets

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule 1 – Consolidated Schedule of Expenses by Object

Schedule 2 - Consolidated Schedule of Salaries, Honoraria, Benefits, Allowances And Severance

Schedule 3 - Consolidated Three Year Summary of Revenue and Expenses

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Calgary Regional Health Authority
and the Minister of Health and Wellness

I have audited the consolidated statement of financial position of the Calgary Regional Health Authority ("the Authority") as at March 31, 2000 and the consolidated statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 5, 2000

CALGARY REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying consolidated financial statements are the responsibility of management and have been approved by the Authority. The consolidated financial statements were prepared in accordance with generally accepted accounting principles and the financial directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

The Authority members carry out their responsibility for the consolidated financial statements through the Finance and Corporate Accountability Committee. This Committee meets with management, and the Auditor General of Alberta to discuss and review financial matters, and recommends the consolidated financial statements to the Calgary Regional Health Authority Board for approval. The Auditor General of Alberta has full and free access to the Finance and Corporate Accountability Committee.

The Auditor General of Alberta provides an independent audit of the consolidated financial statements. His examination is conducted in accordance with generally accepted auditing standards and includes tests and other procedures, which allow him to report on the fairness of the consolidated financial statements prepared by management.

Jack Davis
Chief Executive Officer

Kay Best

Kay Best
Vice President, Corporate Services & Chief
Financial Officer

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999 Restated (Note 25)
ASSETS		
Current		
Cash and temporary investments (Note 3)	$ 121,791	$ 66,089
Contributions receivable	13,280	3,641
Accounts receivable	23,917	18,368
Inventories	10,205	9,880
Prepaid expenses	1,770	3,472
	170,963	101,450
Non-current cash and investments (Note 3)	25,870	17,701
Contributions receivable restricted for non-current use (Note 23)	33,200	-
Capital assets (Note 4)	570,761	541,101
Other assets	114	114
TOTAL ASSETS	$ 800,908	$ 660,366
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	$ 68,554	$ 56,545
Accrued vacation pay	37,222	35,559
Current portion of deferred contributions (Note 5)	11,547	37,151
Current portion of obligation under capital leases (Note 7)	222	209
	117,545	129,464
Deferred contributions (Note 5)	33,200	-
Deferred capital contributions (Note 6)	25,020	17,701
Obligation under capital leases (Note 7)	488	710
Pension plan obligation (Note 8)	1,883	1,544
Long-term employee benefit liabilities (Note 9)	12,805	11,279
Unamortized external capital contributions (Note 10)	489,621	462,414
	680,562	623,112
Net Assets		
Unrestricted (Note 11)	37,316	(40,514)
Internally restricted (Note 11)	2,600	-
Investment in capital assets	80,430	77,768
Operating net assets	120,346	37,254
TOTAL LIABILITIES AND NET ASSETS	$ 800,908	$ 660,366

The accompanying notes and schedules are part of these consolidated financial statements.

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000 (Note 12) Approved Budget				1999
	Approved Budget	Additional Funding/ Adjustments	Revised Budget	Actual	Actual
Revenue					
Alberta Health and Wellness contributions (Note 13)	$ 937,710	$ 97,895	$ 1,035,605	$ 1,030,183	$ 849,791
Other government contributions (Note 14)	14,134	(1,082)	13,052	11,399	7,246
Fees and charges	85,273	12,827	98,100	88,474	83,852
Ancillary operations, net (Note 15)	8,671	656	9,327	10,303	7,768
Donations	5,219	52	5,271	5,755	5,577
Investment and other income (Note 16)	40,832	(4,875)	35,957	33,295	34,398
Amortization of external capital contributions (Note 10)	27,000	1,000	28,000	32,216	26,812
TOTAL REVENUE	1,118,839	106,473	1,225,312	1,211,625	1,015,444
Expenses (Schedule 1)					
Facility-based inpatient acute services	304,239	(2,453)	301,786	297,081	270,383
Facility-based emergency and outpatient services	129,350	(2,284)	127,066	124,764	116,349
Facility-based continuing care services	169,017	(17,193)	151,824	140,529	133,504
Community and home based services	63,369	5,878	69,247	61,289	52,702
Diagnostic and therapeutic services	240,149	7,836	247,985	232,457	214,883
Promotion, prevention and protection services	23,353	1,565	24,918	23,169	26,942
Research and education	15,421	(1,170)	14,251	15,548	14,200
Administration (Note 17)	89,994	(39,624)	50,370	44,533	36,057
Information technology and alberta wellnet (Note 18)	-	33,968	33,968	33,112	26,837
Y2K remedial costs (Note 19)	-	8,717	8,717	2,084	1,299
Support services (Note 20)	119,692	12,038	131,730	135,350	123,789
Amortization of facilities and improvements	16,715	1,300	18,015	18,617	16,711
TOTAL EXPENSES	1,171,299	8,578	1,179,877	1,128,533	1,033,656
Excess (deficiency) of revenue over expense (1)	$ (52,460)	$ 97,895	$ 45,435	$ 83,092	$ (18,212)

(1) Excess of revenue over expense includes one time funding of $92,914 ($33,400 one time per capita, $40,514 deficit elimination and $19,000 one time province wide services) received in December 1999. If this funding had not been received the deficiency of revenue over expense would have been $9,822.

The accompanying notes and schedules are part of these consolidated financial statements.

CALGARY REGIONAL HEALTH AUTHORITY

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000				1999
	Operating				
	Unrestricted (Note 11)	Internally Restricted (Note 11)	Invested in Capital Assets	Total	Total
Excess (deficiency) of revenue over expense	$ 83,092	$ -	$ -	$ 83,092	$ (18,212)
Capital assets purchased with internal funds	(13,569)	-	13,569	-	-
Amortization on internally funded capital assets	11,116	-	(11,116)	-	-
Repayment of obligation under capital leases	(209)	-	209	-	-
Net change to unrestricted net assets	80,430	-	2,662	83,092	(18,212)
Transfer to internally restricted	(2,600)	2,600		-	-
Balance, beginning of year	(40,514)	-	77,768	37,254	55,466
Balance, end of year	$ 37,316	$ 2,600	$ 80,430	$ 120,346	$ 37,254

CALGARY REGIONAL HEALTH AUTHORITY

CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget	Actual	Actual Restated (Note 25)
Cash generated from (used by):			
Operating activities			
Excess (deficiency) of revenue over expense	$ 45,435	$ 83,092	$ (18,212)
Non-cash transactions:			
Increase in unfunded pension plan obligation	-	339	55
Amortization of capital equipment - internally funded	6,361	6,141	3,479
- externally funded	10,900	17,951	13,059
Amortization of facilities and improvements including ancillary	18,800	19,240	17,407
Amortization of external capital contributions	(28,000)	(32,216)	(26,812)
Decrease in non-current deferred contributions	-	-	(1,154)
Increase in long-term employee benefit liabilities	-	1,527	6,182
	53,496	96,074	(5,996)
Changes in non-cash working capital accounts (Note 21)	(30,103)	(25,745)	42,854
Cash generated by operations	23,393	70,329	36,858
Investing activities			
Purchase of capital assets:			
Internally funded			
-equipment	(22,861)	(9,361)	(16,016)
-facilities and improvements	-	(4,208)	(5,526)
Externally funded			
-equipment	(8,412)	(14,151)	(5,214)
-facilities and improvements	(13,189)	(11,908)	(13,272)
-Y2K	(24,000)	(33,369)	(20,651)
Funded under capital leases - equipment	-	-	(1,183)
Net change in non-current cash and investments	12,701	(8,160)	6,466
Cash used in investing activities	(55,761)	(81,160)	(55,396)
Financing activities			
Capital contributions received, net of refunds (Note 6)	32,900	66,742	33,825
Increase (decrease) in obligation under capital leases	(266)	(209)	917
Cash generated by financing activities	32,634	66,533	34,742
Increase in current cash and temporary investments	266	55,702	16,204
Current cash and temporary investments, beginning of year	58,606	66,089	49,885
Current cash and temporary investments, end of year	$ 58,872	$ 121,791	$ 66,089

CALGARY REGIONAL HEALTH AUTHORITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000
(thousands of dollars)

Note 1 Authority, Purpose and Operations

The Calgary Regional Health Authority (the "Authority") was established June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta, 1994. The Authority is exempt from payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for delivering appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental wellbeing.

Operations of the Authority include the following facilities and sites:

- Alberta Children's Hospital
- Colonel Belcher Hospital
- Cross Bow Auxiliary Hospital
- Dr. Vernon Fanning Extended Care Centre
- Foothills Hospital
- George Boyack Nursing Home
- Glenmore Park Auxiliary Hospital
- Peter Lougheed Centre
- Rockyview General Hospital
- Royal Park
- Signal Pointe
- Sarcee Auxiliary Hospital and Nursing Home
- 8th and 8th Community Centre, Airdrie Regional Health Centre and sixteen other community health centres in the Region
- Home care services
- Long term care services through voluntary and private agencies
- Provincial Laboratory for Southern Alberta

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health care services in the region. Certain information on these facilities is disclosed in Note 22(d).

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) Basis of Presentation

(1) These financial statements have been prepared on a consolidated basis, except that Foundations are not consolidated. Information on Foundations is disclosed in Note 22(c).

The entities consolidated are the Calgary Regional Health Authority, and its wholly owned subsidiaries Carewest and 703590 Alberta Inc.

(2) These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year received or receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restriction, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full Cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of service is recorded. Fair value transactions as recorded consist of the following:

(i) Revenue earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Full Cost (continued)

(ii) Payments from Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations, and also recorded as program expense, since contract payments from the Authority do not include an amount for the use of these facilities.

(iv) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of this pension plan including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on the share of the unfunded pension liability; amortization of deferred adjustments over the expected average remaining service life of employees, which relate to the long term; and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating employers.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(d) Investments

Temporary investments are recorded at lower of cost and market.

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realized on disposal are recognized in the period of disposal.

Where there has been a loss in the value of an investment other that a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial Instruments

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

The carrying value of obligations under capital leases approximates their fair values because the interest rates approximate current market values.

(f) Inventories

Inventories are valued at the lower of cost and net replacement value.

(g) Capital Assets

Capital assets including construction in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Equipment	5 – 20 years
Leased buildings	term of lease
Land improvements	10 years
Building service equipment	20 - 40 years
Y2K remedial costs	5 years
alberta we//net	5 years

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(g) Capital Assets (continued)

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(h) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If actual costs are known at the time of the decision, then an estimate is recorded.

(i) Trust Funds Received by the Authority for Non-Owned Facilities

The Authority receives trust funds from Alberta Infrastructure that are to be paid to operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in these financial statements but are disclosed in Note 24.

(j) Measurement Uncertainty

The financial statements by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimated of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. Actual results could differ from these estimates.

Note 3 Cash and Investments

	2000	1999
	(thousands of dollars)	
Cash (overdraft)	$ 20,677	$ (922)
Equities	2,216	6,551
Bonds	17,902	20,000
T-Bills, commercial paper and discount notes	106,866	58,161
Total	$ 147,661	$ 83,790
Analysis:		
Current	$ 121,791	$ 66,089
Non-current	25,870	17,701
	$ 147,661	$ 83,790
Fair value of current and non-current cash and investments	$ 148,606	$ 87,774

(i) Equities are comprised only of equities publicly traded in the major stock markets. Risk is managed by security selection and sector rotation.

(ii) Publicly traded fixed-income instruments are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints on the portfolio by management of portfolio duration and issuer mix. Fixed-income securities are invested in bonds with a rating of A or higher.

The bonds bear interest at an average rate of 6.81%. The effective yield of 6.84% on these securities is based on the carrying value at March 31, 2000. The bonds mature between one and twenty-three years and have the following term structure:

Under 1 year	6.9%
1 – 5 years	23.2%
5 – 10 years	61.0%
Over 10 years	8.9%

(iii) T-bills, commercial paper and discount notes mature between one day and seven months and bear interest at an average rate of 5.30%. The effective yield on these securities based on the carrying value at March 31, 2000 was 5.30%. Such financial instruments are limited to a rating of R-1, commercial paper A-1 and R-1 middle or equivalent rated for the balance.

(iv) Cash and temporary investments represent amounts held for current purposes. Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk is comprised of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value due to the future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Note 3 Cash and Investments (continued)

(iv) continued

In order to earn the optimal financial returns at an acceptable level of risk, management has established a policy asset mix of 0% to 80% for bonds and 0% to 50% for equities. Non-Canadian equities are further limited to a range between 0% to 10% of the total portfolio. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments.

(v) Non-current cash and temporary investments consist of capital contributions received but not yet spent from: Alberta Infrastructure, for capital upgrades and construction projects, Lottery Fund for capital equipment and donations for capital equipment.

Note 4 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Buildings and improvements	$ 531,496	$ 184,775	$ 346,721	$ 340,263
Equipment	227,154	145,217	81,937	68,653
Leased buildings	80,714	23,541	57,173	59,190
Construction in progress	14,245	-	14,245	27,069
Y2K project costs	44,959	3,245	41,714	20,651
Land	15,577	-	15,577	14,147
Land improvements	5,088	2,380	2,708	2,731
Building service equipment	17,835	11,142	6,693	6,741
alberta wellnet project costs	4,352	359	3,993	1,656
	$ 941,430	$ 370,659	$ 570,761	$ 541,101

Note 4 Capital Assets (continued)

(a) Land

Land at the following sites has been provided to the Authority at nominal values:

Site	Leased from	Lease Period
Alberta Children's Hospital	Province of Alberta	Expires on April 1, 2012 with an option for renewal for a further ten years.
Peter Lougheed Centre	Province of Alberta	Expires on July 28, 2008 with an option for renewal for a further ten years.

(b) Leased Equipment

Included in equipment are items acquired through capital leases at a cost of $1,183,430 (1999, $1,183,430) with accumulated amortization of $129,372 (1999, $9,952). Two capital leases remain which expire in March 2003 and March 2004.

(c) Funding

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$489,621	$ 462,414
Internally funded (invested in capital assets)	80,430	77,768
Financed by capital leases	710	919
	$570,761	$ 541,101

Note 5 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions	$ 33,374	$ 21,283
Alberta Infrastructure	33,200	-
Other government contributions	1,168	1,024
Other income	6,950	5,744
	74,692	28,051
Amounts recognized as revenue:		
Alberta Health and Wellness contributions (Note 13)	26,980	22,669
Other government contributions (Note 14)	806	862
Other income (Note 16)	5,998	5,918
	(33,784)	(29,449)
Transfer of funds related to capital purchases(Note 6)	(33,312)	(20,651)
Change during the year	7,596	(22,049)
Balance, beginning of year	37,151	59,200
Balance, end of year	$ 44,747	$ 37,151

Unspent amounts at the end of the year are restricted for the following purposes:

	2000	1999
	(thousands of dollars)	
Current:		
Y2K remedial costs	$ 4,125	$ 32,717
Child health programs	2,138	1,876
Alberta Mental Health Board	1,003	947
Alberta Primary Health Care	524	162
Alberta Health and Wellness	1,632	42
Other	2,125	1,407
	11,547	37,151
Long-term:		
Long term care development plan (Note 23)	33,200	-
	$ 44,747	$ 37,151

Note 6 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(a)(2).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions	$ 4,517	$ -
Transferred from deferred contributions (Note 5)	33,312	20,651
Restricted other government contributions	19,440	9,024
Donations restricted for capital purposes	8,004	3,879
Other	1,614	-
	66,887	33,554
Capital contributions, received (refunded)	(145)	271
	66,742	33,825
Transferred to:		
Unamortized external capital contributions (Note 10)	(59,423)	(39,137)
Change during the year	7,319	(5,312)
Balance, beginning of year	17,701	23,013
Balance, end of year	$ 25,020	$ 17,701

	2000	1999
Balance at end of year is restricted for the following purposes:		
Equipment replacement	$ 3,865	$ 4,512
Construction projects	21,155	13,189
	$ 25,020	$ 17,701

Note 7 **Obligation Under Capital Leases**

	2000	1999
	(thousands of dollars)	
Obligation under capital leases	$ 710	$ 919
Less: current portion	222	209
Long-term portion	$ 488	$ 710

Future payments for the year ended March 31:	(thousands of dollars)
2001	$ 266
2002	266
2003	266
2004	2
Amount representing interest	(90)
Obligation under capital leases	$ 710

The capital leases expire in March 2003 and March 2004. The implicit interest rates payable on these leases range from 6.18% to 6.49%.

Note 8 **Pension Plan Obligation**

The Authority and its employees participate with other employers in the Local Authorities Pension Plan (LAPP). This plan is a defined benefit plan and provides pensions for the Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis in which to determine the total unfunded liability amount for each plan that will be funded by employers.

Note 8 **Pension Plan Obligation (continued)**

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$1,883	$1,486
Public Service Pension Plan (1)	-	58
	$1,883	$1,544

(1) On December 8, 1999, the provincial cabinet approved amendments to the pension plan regulations effective January 1, 2000. As a result, Public Service Pension Plan members were transferred to the LAPP.

Note 9 **Long Term Employee Benefit Liabilities**

Amounts included as employee benefit liabilities represent long-term disability obligations and benefits upon retirement provided by the Authority to certain of its employees based upon actuarial valuations.

Note 10 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(a)(2). The balance at the end of the year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance, beginning of year	$ 462,414	$ 450,089
Add amounts transferred from deferred capital contributions (Note 6)	59,423	39,137
Less amounts recognized as revenue	(32,216)	(26,812)
	$ 489,621	$ 462,414

Note 11 Unrestricted and Internally Restricted Net Assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization – April 1, 1995	$ (8,661)	$ (8,661)
Changes since regionalization:		
Cumulative operating surplus (deficit)	79,992	(3,100)
Invested in capital assets (net of amortization)	(30,206)	(27,753)
Repayment of obligation under capital leases	(1,209)	(1,000)
Balance	$ 39,916	$ (40,514)
Unrestricted	$ 37,316	$ (40,514)
Internally restricted	2,600	-
	$ 39,916	$ (40,514)

The Authority has internally restricted the following amounts for:

	2000	1999
	(thousands of dollars)	
Carewest facility plan	$ 1,900	$ -
Carewest equipment replacement	700	-
	$ 2,600	$ -

Note 12 Budget

	Approved Budget (1)	Additional Funding (2)	Adjustments (3)	Reported Budget
		(thousands of dollars)		
Revenue				
Alberta Health and Wellness contributions	$ 937,710	$ 97,895	$ -	$ 1,035,605
Other government contributions	14,134	-	(1,082)	13,052
Fees and charges	85,273	-	12,827	98,100
Net ancillary operations	8,671	-	656	9,327
Donations	5,219	-	52	5,271
Investment and other income	40,832	-	(4,875)	35,957
Amortization of deferred capital contributions	27,000	-	1,000	28,000
	1,118,839	97,895	8,578	1,225,312
Expenses				
Facility based inpatient acute services	304,239	-	(2,453)	301,786
Facility based emergency and outpatient services	129,350	-	(2,284)	127,066
Facility based continuing care services	169,017	-	(17,193)	151,824
Community and home based services	63,369	-	5,878	69,247
Diagnostic and therapeutic services	240,149	-	7,836	247,985
Promotion, prevention and protection services	23,353	-	1,565	24,918
Research and education	15,421	-	(1,170)	14,251
Administration	89,994	-	(39,624)	50,370
Information technology and alberta we//net	-		33,968	33,968
Y2K remedial costs	-	-	8,717	8,717
Support services	119,692	-	12,038	131,730
Amortization of facilities and improvements	16,715	-	1,300	18,015
	1,171,299	-	8,578	1,179,877
Excess (deficiency) of revenue over expense	$ (52,460)	$ 97,895	$ -	$ 45,435

(1) On May 20, 1999, an interim budget was approved by the Board of the Authority. This budget was amended to ($52,460) by the Board on September 22, 1999 and subsequently submitted to the Minister of Health and Wellness for approval.

(2) During the year, the Minister of Health and Wellness provided additional funding as follows:

Date	Description	Amount (thousands of dollars)
Nov 19/99	Per capita funding	$33,400
Nov 19/99	Deficit elimination	40,514
Nov 19/99	Province wide services	19,000
	Total one time funding	92,914
Nov 15/99	Long term care review	3,030
Various	Provincial Laboratory funding	516
Mar 31/00	Province wide services	785
Mar 31/00	Other	650
		$97,895

(3) Changes were also made in classification to ensure that revenue and expenditures under budget conform to classification used for reporting actual amounts.

Note 13 Alberta Health and Wellness Contributions

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Unrestricted contributions	$1,020,720	$1,001,930	$825,814
Transfers from deferred contributions (Note 5)	13,614	26,980	22,669
Restricted contributions made directly by Alberta Health and Wellness to contract operators (Note 22(d))	1,271	1,273	1,308
	$1,035,605	$1,030,183	$849,791

Note 14 Other Government Contributions

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Alberta Mental Health Board	$8,316	$6,451	$3,400
Alberta Cancer Board	4,138	3,479	2,180
Transfer from deferred contributions (Note 5)	-	806	862
Calgary Rockyview Child & Family Services	598	595	597
Alberta Infrastructure	-	31	50
Other	-	37	157
	$13,052	$11,399	$7,246

Note 15 Ancillary Operations

	2000					1999
	(thousands of dollars)					
	Non-Patient Food Services	Parking Operations	Other Ancillary	Total	Budget	Total
Revenue	$5,870	$9,174	$4,365	$19,409	$18,092	$16,538
Expenses						
Cost of goods sold	635	-	-	635	961	1,164
Amortization	5	643	1	649	825	824
Other (1)	2,763	2,476	2,583	7,822	6,979	6,782
	3,403	3,119	2,584	9,106	8,765	8,770
Excess of revenue over direct expense 1999/00	$2,467	$6,055	$1,781	$10,303	$9,327	$7,768
Excess of revenue over direct expense 1998/99	$1,988	$4,669	$1,111	$7,768		

(1) Where the ancillary activity is a service rather than a product, all expenses except amortization are recorded as other.

Note 16 Investment and Other Income

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Transferred from deferred contributions (Note 5)	$1,602	$5,998	$5,918
Investment income	6,970	9,382	9,136
Other income	27,385	17,915	19,344
	$ 35,957	$ 33,295	$ 34,398

Investment income comprises interest, dividends, amortization of discounts and premiums and net gains on disposal of investments.

Other income includes sale of minor equipment, outpatient pharmacy, sessional fees, and other general recoveries.

Note 17 Administration

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
General administration	29,329	22,840	16,991
Finance	11,608	12,139	9,597
Personnel	9,433	9,554	9,469
	$ 50,370	$ 44,533	$ 36,057

Note 18 Information technology and alberta we//net

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
alberta we//net	$4,428	$2,997	$2,322
Information systems support	29,540	30,115	24,515
	$33,968	$33,112	$26,837

alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that have produced clinical and administrative deliverables beginning in 1999/2000, or to develop applications to support we//net initiatives. In accordance with generally accepted accounting principles, $ 2,996,582 have been expensed and $2,696,000 was capitalized.

Note 19 Y2K Remedial Costs

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 20 Support Services

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Biomedical engineering	$2,591	$2,728	$2,525
Building maintenance, operations and security	36,256	37,453	35,602
Communications	5,408	5,598	4,762
Education and library services	3,884	4,030	3,785
Housekeeping	17,423	17,492	15,944
Materials management	24,587	24,830	21,964
Patient food services	20,107	20,777	20,310
Patient health records	10,781	10,986	9,605
Patient registration	6,398	4,168	3,861
Other	4,295	7,288	5,431
	$131,730	$135,350	$123,789

Note 21 Change in Non-Cash Working Capital Accounts

	Budget	Actual	1999 Actual
	(thousands of dollars)		
Contributions and accounts receivable	$ -	$ (15,188)	$ 59,396
Inventories	-	(325)	(403)
Prepaid expenses	-	1,702	(1,126)
Other assets	114	-	(114)
Accounts payable	-	12,008	21
Accrued vacation pay	2,500	1,662	5,975
Current portion of deferred contributions	(32,717)	(25,604)	(20,895)
	$ (30,103)	$ (25,745)	$ 42,854

Note 22 Related Parties

(a) Provincial Government

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the consolidated statement of operations and Notes 5, 6 and 13 to the consolidated financial statements.

(b) Subsidiary Organizations

These financial statements include the accounts of Carewest (which operates continuing care centres in the Region) and 703596 Alberta Inc. (which in partnership with MDS Kasper Medical Laboratories, operates as Calgary Laboratory Services).

Note 22 Related Parties (continued)

(c) Foundations

The following controlled foundations are not consolidated in these financial statements:

(i) Calgary Health Trust

Calgary Health Trust is considered a controlled foundation as the Authority appoints the majority of the voting members of the Foundation's Board of Directors. The purpose of the Trust is to benefit the Authority, each facility within the region and individual health programs and services operated within the region.

	Calgary Health Trust 2000	1999
	(thousands of dollars)	
Total assets	$ 41,105	$ 39,190
Total liabilities	5,169	8,138
Net assets	$ 35,936	$ 31,052
Revenue	$ 18,761	$ 20,585
Expenses	14,758	14,459
Excess of revenue over expenses	$ 4,003	$ 6,126
Accounts payable to the Authority from Calgary Health Trust	$ 97	$ 1,906
Cash flow from		
Operating activities	$ (845)	$ 1,291
Investing and financing activities	$ 807	$ (2,775)
Contributions to the Authority	$ 7,351	$ 5,344
Administrative support from the Authority (includes grant)	$ 356	$ 529
Resources held		
Externally restricted	$ 30,689	$ 31,005
Unrestricted	5,247	47
	$ 35,936	$ 31,052

Note 22 Related Parties (continued)

(c) Foundations (continued)

(ii) Other Foundations

The Authority has an economic interest in the foundations listed in the following table which raise funds to benefit the Authority and other health related entities. The resources held by these foundations are not necessarily limited for use by the Authority.

The foundations listed in the following table are registered charities under the Income Tax Act.

Contributions to the Authority during the year by the foundations listed in the following table and resources held by these foundations at the year end to support health care are as follows:

	Contributions received by the Authority Year ended March 31, 2000		Resources held by Foundation At March 31, 2000	
	(thousands of dollars)			
	2000	1999	Externally Restricted (1)	Unrestricted
Alberta Children's Hospital Foundation	$3,572	$3,196	$6,632	$27,770
The Grace Foundation	812	123	3,382	10
	$4,384	$3,319	$10,014	$27,780

(1) Externally restricted amounts are for equipment, programs, research and education for the specific hospitals and continuing care facilities supported by the individual foundations.

The value of administrative support provided to these foundations and the accounts receivable from (payable to) these foundations at the year end are as follows:

	Administrative Support		Accounts Receivable (Payable)	
	(thousands of dollars)			
	2000	1999	2000	1999
Alberta Children's Hospital Foundation	$9	$14	$17	($3)

Note 22 Related Parties (continued)

(d) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services in the year are as follows:

	2000				1999
	Direct Authority Funding	Direct Funding by Alberta Health & Wellness	Approved Patient Fees & Charges	Total	Total
	(thousands of dollars)				
Facility Name					
Beverly Centre	$6,161	$408	$1,953	$8,522	$8,397
Bow-Crest Nursing Home	3,273	-	1,446	4,719	4,516
Central Park Lodges	2,813	-	1,160	3,973	3,873
Extendicare Cedars Villa	5,843	-	2,371	8,214	8,009
Extendicare Hillcrest	2,653	493	1,069	4,215	4,119
Extendicare [illegible]	1,033	-	436	1,469	1,394
Forest Grove Care Centre	6,755	-	2,321	9,076	8,534
Intercare Brentwood	2,993	-	1,135	4,128	3,811
Intercare Chinook	3,604	-	1,437	5,041	4,717
Intercare Southwood	3,072	-	1,145	4,217	4,006
Trevcas Holdings Glamorgan	1,281	-	512	1,793	1,749
Trevcas Holdings Mayfair	3,887	-	1,369	5,256	4,966
Bethany Care Centre Airdrie	1,878	-	747	2,625	2,552
Bethany Care Centre Calgary	17,667	-	4,331	21,998	21,279
Bethany Care Centre Harvest Hills	1,628	-	353	1,981	0
Bethany Care Centre Cochrane	2,106	-	789	2,895	2,854
Bow View Nursing Home	6,128	372	1,798	8,298	7,894
Father Lacombe Nursing Home	3,240	-	1,084	4,324	4,031
Other community agencies	4,542	-	-	4,542	2,439
Private laboratories	81,085	-	-	81,085	68,974
Physiotherapy providers	7,408	-	-	7,408	7,364
Homecare providers	32,236	-	-	32,236	27,317
Facility fees	5,507	-	-	5,507	6,731
	$206,793	$ 1,273	$ 25,456	$233,522	$209,526

	2000	1999
	(thousands of dollars)	
Reported in the following expense categories		
Facility based inpatient acute services	$ 2,020	$ 1,146
Facility based emergency and outpatient services	5,329	6,224
Facility based continuing care services	90,113	85,042
Community and home based services	34,916	28,157
Diagnostic and therapeutic services	88,664	76,338
Promotion, prevention and protection services	1,867	1,639
Administration and support services	10,613	10,980
	$233,522	$209,526

Note 22 Related Parties (continued)

(e) Other

Various volunteer and auxiliary associations solicit donations, operate gift shops and undertake fund raising activities to provide operating and capital donations to further the objectives of the Authority.

Note 23 Commitments

The Authority has contributions receivable from Alberta Infrastructure of $33,200,000 relating to the Authority's arrangement with private sector operators to develop approved long term care facilities. This contribution represents the present value of payments to be made by the Authority to the private sector operators over a 30 year period.

The Authority is committed to future operating lease payments of $8,858,000 until 2009. Future annual commitments are as follows:

Year ended March 31:	(thousands of dollars)
2001	$3,766
2002	2,255
2003	1,219
2004	801
2005	221
Thereafter	596
	$8,858

The Authority has outstanding commitments on capital projects of $2,520,000 which will be capitalized by March 31, 2001.

Note 24 Trust Funds

The Authority receives funds from Alberta Infrastructure for non-owned facilities for capital construction and facility repairs. These amounts are not reported in the financial statements. During the year the Authority received $1,600,000 (1999 - $3,455,000) and disbursed $3,157,000 (1999 - $2,477,000) for capital and facility repairs for non-owned facilities. The balance of funds held by the Authority is $708,000 (1999 - $ 2,318,000).

The Authority holds a non-interest bearing collateral mortgage with one of the non-owned facilities. The mortgage is being forgiven at 3 1/3% of the principal amount per annum. The balance remaining at March 31, 2000 is $3,540,000.

The Authority receives other trust funds, including funds for research and development, education and other miscellaneous programs. The balance of these funds held by the Authority as at March 31, 2000 is $4,286,368 (1999 - $4,896,460).

Note 25 Comparative Figures

Certain 1999 figures have been reclassified to conform to 2000 presentation. In addition, non-current cash and long-term employee benefit liabilities have been adjusted by $8,648,000 (1999 - $6,619,000) to account for funds that were previously disclosed as trust funds. This change has no impact on net assets or excess of revenue over expenses.

Note 26 Approval of Financial Statements

These financial statements have been approved by the Authority.

Schedule 1

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Salaries, benefits, allowances and severance (Schedule 2)	$ 571,746	$ 564,305	$ 522,091
Contracts with health service operators (Note 22(d))	242,641	233,522	209,526
Drugs, gases, medical and surgical supplies	103,548	100,941	89,387
Consulting services and medical fees	58,958	55,316	52,687
Other	175,688	140,223	134,778
Amortization			
Capital equipment - internally funded	6,361	6,141	3,479
Capital equipment - externally funded	10,900	17,951	13,071
Facilities and improvements	18,800	19,240	17,407
	1,188,642	1,137,639	1,042,426
Less amounts reported in ancillary operations (Note 15)	(8,765)	(9,106)	(8,770)
	$ 1,179,877	$1,128,533	$ 1,033,656

Schedule 2

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

		2000							1999	
						Severance(4)				
		Number of Individuals or FTEs[1]	Salaries and Honoraria[2]	Benefits and Allowances[3]	Subtotal	Number of Individuals[1]	Amount	Total	Number of Individuals[1]	Salaries Benefits & Honoraria
Board Compensation										
Chairperson										
Jim Dinning		1.00	7	-	7	-	-	7	-	-
John Morgan	To April 13, 1999	0.04	1	-	1	-	-	1	0.50	9
J. R. McCaig	To October 1, 1998	-	-	-	-	-	-	-	0.50	8
Board Members										
John Morgan	From April 14, 1999	0.96	9	-	9	-	-	9	-	-
Harvey Cenaiko		1.00	11	-	11	-	-	11	1.00	12
Wayne Couchman		1.00	8	-	8	-	-	8	1.00	6
Susan Dobrowa		1.00	9	-	9	-	-	9	0.50	5
Sandy Dougall		1.00	8	-	8	-	-	8	0.50	5
Jean Fraser		1.00	6	-	6	-	-	6	1.00	10
Eileen Grant		1.00	12	-	12	-	-	12	1.00	11
Sodbey Hartley		1.00	5	-	5	-	-	5	0.50	3
Asim Jiwani		1.00	8	-	8	-	-	8	1.00	9
Bruce Libin		1.00	9	-	9	-	-	9	1.00	11
Skip McDonald		1.00	4	-	4	-	-	4	1.00	7
Shelley Mabbott		1.00	7	-	7	-	-	7	1.00	7
Donna Rae		1.00	10	-	10	-	-	10	0.50	5
William Szabo		1.00	-	-	-	-	-	-	0.50	-
Kathleen Clarke	To October 1, 1998	-	-	-	-	-	-	-	0.50	3
Phyllis Kane	To October 1, 1998	-	-	-	-	-	-	-	0.50	5
Larry Konadiuk	To October 1, 1998	-	-	-	-	-	-	-	0.50	3
Sandra Newhouse	To October 1, 1998	-	-	-	-	-	-	-	0.50	4
Joe Struck	To September 22, 1999	-	-	-	-	-	-	-	1.00	5
Ken Scott	To April 21, 1998	-	-	-	-	-	-	-	0.50	-
Total		15	114	-	114	-	-	114	15	128

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

Schedule 2

Schedule 2 (continued)	2000							1999	
					Severance(4)				
Staff Compensation	Number of Individuals or FTEs[1]	Salaries and Honoraria[2]	Benefits and Allowances[3]	Subtotal	Number of Individuals[1]	Amount	Total	Number of Individuals[1]	Salaries Benefits & Honoraria
Chief Executive Officer (5)	1.00	400	18	418	1.00	555	973	1.00	280
Management person(s) reporting to the CEO									
Executive Vice President and Chief Operating Officer	1.00	222	17	239	-	-	239	1.00	280
Senior Vice President and Chief Medical Officer (6)	1.00	234	6	240	-	-	240	1.00	242
Vice President, Corp Services and Chief Financial Officer (7)	0.93	233	11	244	1.00	163	407	2.00	353
Vice President, Communications	0.90	109	12	121	1.00	101	222	0.30	44
Vice President, Human Resources	0.47	58	6	64	-	-	64	-	-
Executive Director	0.21	17	2	19	-	-	19	-	-
Chief Operating Officer Community Health Resources	-	-	-	-	-	-	-	1.00	168
Chief Regional Officer Population Health	-	-	-	-	-	-	-	1.00	177
Other management person(s) reporting to those above (avg. 2000 $118, avg. 1999 $115) (excluding severance)	37.77	4,117	357	4,474	2.00	193	4,667	26.10	3,012
Other management (avg. 2000 $84, avg. 1999 $72) (excluding severance)	375.60	27,945	3,733	31,678	58.00	1,587	33,265	396.04	28,641
Medical doctors not included above (avg. 2000 $106, avg. 1999 $116) (excluding severance)	10.75	999	143	1,142	-	-	1,142	15.50	1,799
Registered nurses (avg. 2000 $55, avg. 1999 $54) (excluding severance)	4,442.06	214,547	30,677	245,224	-	-	245,224	4,345.12	228,337
Other health technical and professionals (avg. 2000 $55, avg. 1999 $54) (excluding severance)	1,689.21	81,749	11,743	93,492	-	-	93,492	1,622.38	87,436
Unregulated health service providers (avg. 2000 $30, avg. 1999 $28) (excluding severance)	1,004.00	25,910	3,840	29,750	-	-	29,750	935.60	26,635
Other staff (avg. 2000 $38, avg. 1999 $36) (excluding severance)	4,090.10	134,293	19,306	153,599	-	-	153,599	4,013.96	143,299
Accrued pension adjustments	-	829	59	888	-	-	888	-	1,260
Staff compensation	11,655	$491,662	$69,930	$561,592	63	$2,999	$564,191	11,262	$521,963
Total	11,670	$491,776	$69,930	$561,706	63	$2,999	$564,305	11,277	$522,091

CALGARY REGIONAL HEALTH AUTHORITY

CONSOLIDATED SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE

FOR THE YEAR ENDED MARCH 31, 2000

1. The full time equivalents (FTE's) is calculated based on the total salary dollars for a category or position divided by the number of hours worked in a standard work year, which generally is 2,022.75 hours for most occupation groups.

2. Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

3. Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

4. Severance includes all monies paid directly or on behalf of an employee upon termination which are not included in salaries and benefits.

5. The position of Chief Executive Officer was held by three incumbents during the year.

6. The position of Senior Vice President and Chief Medical Officer was held by two incumbents during the year.

7. The position of Vice President, Corporate Services and Chief Financial Officer was held by three incumbents during the year.

8. The total amount of $564,305,000 is reported in Schedule 2.

Schedule 3

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED THREE YEAR
SUMMARY OF REVENUE AND EXPENSES
FOR THE PERIOD COMMENCING APRIL 1, 1997

(thousands of dollars)

	Actual			Pro-forma (1)		
	2000	1999	1998	2000	1999	1998
Revenue						
Alberta Health and Wellness contributions	$ 1,030,183	$ 849,791	$ 756,316	$ 1,030,183	$ 849,791	$ 758,551
Other government contributions	11,399	2,246	1,305	11,399	2,246	1,305
Fees and charges	88,474	83,852	85,417	88,474	83,852	85,417
Ancillary operations, net	10,303	7,768	7,437	10,303	7,768	7,437
Donations	5,755	5,577	4,031	5,755	5,577	4,031
Investment and other income	33,295	39,398	35,549	33,295	39,398	35,549
Amortization of external capital contributions	32,216	26,812	26,468	32,216	26,812	26,468
TOTAL REVENUE	1,211,625	1,015,444	916,523	1,211,625	1,015,444	918,758
Expenses						
Facility based inpatient acute services	297,081	270,383	246,368	297,081	270,383	248,603
Facility based emergency and outpatient services	124,764	116,349	98,300	124,764	116,349	98,300
Facility based continuing care services	140,529	133,504	124,653	140,529	133,504	124,653
Community and home based services	61,289	52,702	43,928	61,289	52,702	43,928
Diagnostic and therapeutic services	232,457	214,883	202,966	232,457	214,883	202,966
Promotion, prevention and protection services	23,169	26,942	23,646	23,169	26,942	23,646
Research and education	15,548	14,200	15,472	15,548	14,200	15,472
Administration	44,533	36,057	33,020	44,533	36,057	33,020
Information technology and alberta we-net	33,112	26,837	18,553	33,112	26,837	18,553
Y2K remedial costs	2,084	1,299	-	2,084	1,299	-
Support services	135,350	123,789	116,068	135,350	123,789	116,068
Amortization of facilities and improvements	18,617	16,711	17,918	18,617	16,711	17,918
TOTAL EXPENSES	1,128,533	1,033,656	940,892	1,128,533	1,033,656	943,127
Excess (deficiency) of revenue over expense	$ 83,092	$ (18,212)	$ (24,369)	$ 83,092	$ (18,212)	$ (24,369)

CALGARY REGIONAL HEALTH AUTHORITY
CONSOLIDATED THREE YEAR SUMMARY OF REVENUE AND EXPENSES
FOR THE PERIOD COMMENCING APRIL 1, 1997

(1) Alberta Health and Wellness transferred responsibility for certain programs to the Authority. In order to disclose the costs of health services provided in the region, transactions incurred by Alberta Health and Wellness for the programs transferred have been combined with the transactions of the Authority and reported as pro-forma operations. The following adjustments were made to the actual amounts:

	Revenue			Expenses		
	2000	1999	1998	2000	1999	1998
Per Financial Statement	$1,211,625	$1,015,444	$916,523	$1,128,533	$1,033,656	$940,892
Programs transfers:						
Facility based						
inpatient services alternative payment programs	-	-	2,235		-	2,235
	$1,211,625	$1,015,444	$918,758	$1,128,533	$1,033,656	$943,127

Health Authority 5

Financial Statements

March 31, 2000

HEALTH AUTHORITY 5

FINANCIAL STATEMENTS

MARCH 31, 2000

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Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

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Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severances

Schedule 3 - Schedule of Summary of Revenues and Expenses

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Hanna/Cereal District
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Linden Nursing Home
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Partners In Health

Health Authority 5

HEALTH AUTHORITY 5
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
FINANCIAL STATEMENTS
MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Executive Committee. This Committee meets with management and external auditor, Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Health Authority 5 Board for approval. The external auditor has full and free access to the Executive Committee.

The external auditor, Auditor General of Alberta, provides an independent audit of the financial statements. Their examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Mr. Al Martin
Chief Executive Officer

Mrs. Sharon Orum
Chief Financial Officer

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Board of Regional Health Authority 5
and the Minister of Health and Wellness

I have audited the statement of financial position of the Regional Health Authority 5 ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 13, 2000

HEALTH AUTHORITY 5
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 3)	$ 5,496	$ 3,815
Accounts receivable	327	206
Contributions receivable	491	47
Inventories	554	534
Prepaid expenses	222	42
	7,090	4,644
Non-current cash and investments (Note 3)	9,974	2,327
Capital assets (Note 4)	41,278	32,887
	$ 58,342	$ 39,858
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 2,887	$ 2,201
Accrued vacation pay	1,920	1,735
Deferred contributions (Note 5)	861	1,020
	5,668	4,956
Deferred capital contributions (Note 6)	7,574	2,327
Pension plan obligation (Note 7)	87	125
Unamortized external capital contributions (Note 8)	38,744	30,491
	52,073	37,899
Net assets:		
Unrestricted (Note 9)	735	(437)
Internally restricted (Note 10)	3,000	-
Investment in capital assets	2,534	2,396
Operating net assets	6,269	1,959
	$ 58,342	$ 39,858

The accompanying notes and schedules are part of these financial statements.

HEALTH AUTHORITY 5
STATEMENT OF OPERATIONS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 11)	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 12)	$ 41,767	$ 41,770	$ 36,823
Other government contributions (Note 13)	271	294	134
Fees and charges	4,202	4,469	4,421
Ancillary operations, net (Note 14)	-	(73)	(128)
Donations	25	23	18
Investment and other income (Note 15)	327	651	447
Amortization of external capital contributions (Note 8)	1,842	1,780	1,680
	48,434	48,914	43,395
Expenses (Schedule 1)			
Facility based inpatient acute services	6,958	6,960	6,422
Facility based emergency and outpatient services	1,658	1,690	1,557
Facility based continuing care services	8,931	8,817	8,549
Community and home based services	2,896	2,602	2,291
Diagnostic and therapeutic services	6,735	6,989	6,593
Promotion, prevention and protection services	2,027	2,029	1,763
Administration (Note 16)	2,479	2,348	2,063
Information technology and alberta we//net (Note 17)	588	785	613
Y2K remedial costs (Note 18)	137	107	260
Support services (Note 19)	11,330	10,951	10,361
Amortization of facilities and improvements	1,420	1,326	1,330
	45,159	44,604	41,802
Excess of revenue over expenses	$ 3,275	$ 4,310	$ 1,593

HEALTH AUTHORITY 5
STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2000
(thousands of dollars)

	2000				1999
	Unrestricted (Note 9)	Internally Restricted (Note 10)	Invested in Capital Assets	Total	Total
Excess of revenue over expenses	$ 4,310	$ -		$ 4,310	$ 1,593
Capital assets purchased with internal funds	(626)	-	626	-	-
Amortization on internally funded capital assets	368	-	(368)	-	-
Disposal of internally funded capital assets	120	-	(120)	-	-
Transfer to internally restricted	(3,000)	3,000	-	-	-
Net change in unrestricted net assets	1,172	-	-	-	-
Balance at beginning of year	(437)	-	2,396	1,959	366
Balance at end of year	$ 735	$ 3,000	$ 2,534	$ 6,269	$ 1,959

HEALTH AUTHORITY 5
STATEMENT OF CASH FLOWS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities			
Excess of revenue over expenses	$ 3,275	$ 4,310	$ 1,593
Non-cash transactions:			
Decrease in unfunded pension obligations	-	(38)	(3)
Amortization of capital equipment - internally funded	250	368	165
- externally funded	422	454	350
Amortization of facilities and improvements	1,420	1,326	1,330
Amortization of external capital contributions	(1,842)	(1,780)	(1,680)
Loss on disposal of capital assets	-	88	-
	3,525	4,728	1,755
Change in non-cash working capital accounts (Note 20)	(123)	(53)	1,483
Cash generated from operations	3,402	4,675	3,238
Investing activities:			
Purchase of capital assets:			
internally funded	(200)	(601)	(83)
internally funded - facilities and improvements	-	(25)	-
externally funded (Note 8)			
- equipment	-	(1,403)	(939)
- facilities and improvements	(15,000)	(8,722)	(2,543)
Proceeds on disposal of internally funded capital equipment		32	
Net change in non-current cash	116	(7,647)	(1,010)
Cash used by investing activities	(15,084)	(18,366)	(4,575)
Financing activities:			
Capital contributions received (Note 6)	14,000	15,372	4,492
Cash generated from financing activities	14,000	15,372	4,492
Increase in cash and temporary investments	2,318	1,681	3,155
Cash and temporary investments, beginning of year	3,815	3,815	660
Cash and temporary investments, end of year	$ 6,133	$ 5,496	$ 3,815

HEALTH AUTHORITY 5

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000

(thousands of dollars)

Note 1 Authority, Purpose and Operations

Health Authority 5 (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, and Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental wellbeing.

The operations of the Authority include the following facilities and sites:

Didsbury District Health Services
Drumheller District Health Services
Hanna/Cereal District Health Services
Strathmore District Health Services
Three Hills District Health Services

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 21(b).

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) Basis of Presentation

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when they become receivable.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) Basis of Presentation (continued)

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when the related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services is recorded. Fair value transactions as recorded, consist of the following:

(i) Revenues earned by contracted health service operators from the Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount recorded as program expense as these payments represent part of the cost of the Authority's health programs.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Full cost (continued)

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations, and also recorded as program expense, since contract payments from the Authority do not include an amount for the use of these facilities.

(iv) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based on the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based on the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plans' total unfunded liability to participating employers.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(d) Investments

Temporary investments are recorded at the lower of cost and market.

(e) Financial Instruments

The carrying value of accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

(f) Inventories

Inventories are valued at the lower of cost or net realizable value.

(g) Capital Assets

Capital assets and construction projects in progress are recorded at cost.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Buildings and improvements	20 - 40 years
Land improvements	15 - 20 years
Building service equipment	20 years
Equipment, furniture and software	5 - 20 years

Construction projects in progress are not amortized until the project is complete.

(h) Measurement Uncertainty

The financial statements by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect, on the financial statements, of changes in such estimates in future periods could be significant.

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Note 3 Cash and Temporary Investments

	2000	1999
	(thousands of dollars)	
Cash	$ 14,373	$ 5,094
Guaranteed investment certificates	1,097	1,048
	15,470	6,142
Amounts held for non-current purposes	(9,974)	(2,327)
	$ 5,496	$ 3,815

Non-current cash and investments represent the following:		
Externally restricted for capital purposes		
Equipment replacement	$ 367	$ -
Betterment of capital assets	94	551
New construction	7,113	1,776
Internally restricted - equipment replacement	2,400	-
	$ 9,974	$ 2,327

Guaranteed investment certificates, maturing at various intervals ending June 1, 2007, are guaranteed by the Canada Deposit Insurance Corporation and, at March 31, 2000, bear interest at rates ranging from 5.00% to 7.25% paid annually.

The effective yield on these securities based on the carrying value at March 31, 2000 is 4.0%.

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Note 4 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		(thousands of dollars)		
Land	$ 1,082	$ -	$ 1,082	$ 1,082
Land improvements	978	687	291	324
Buildings	44,744	20,076	24,668	24,749
Building service equipment	485	161	324	279
Equipment, furniture and software	10,082	6,470	3,612	2,814
Software under development	265	-	265	
Construction in progress	11,036	-	11,036	3,639
	$68,672	$ 27,394	$41,278	$32,887

a) During the fiscal year, the Authority disposed of the Three Hills Health Unit building. The proceeds from the disposal have been accounted for as a restricted capital contribution and have been utilized in the construction of a new wing at the Three Hills District Health Complex.

b) Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$ 38,744	$ 30,491
Internally funded (invested in capital assets)	2,534	2,396
	$ 41,278	$ 32,887

Note 5 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions	$ 545	$ 15
Other government contributions	341	224
Donations	60	-
Interest on Year 2K funds	20	25
	966	264
Amounts recognized as revenue:		
Alberta Health and Wellness contributions (Note 12)	(128)	(260)
Other government contributions (Note 13)	(294)	(69)
Donations	(23)	-
Other income	-	(2)
	(445)	(331)
Amounts transferred to deferred capital contributions (Note 6)	(680)	-
Change during the year	(159)	(67)
Balance, beginning of year	1,020	1,087
	$ 861	$ 1,020

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Alberta Health and Wellness - Y2K	$ -	$ 768
Government of Canada - Primary Care	73	115
Restricted donations	37	-
Alberta Health and Wellness - Healthy Aging	540	-
Alberta Health and Wellness - Other	-	15
Alberta Infrastructure	211	122
	$ 861	$ 1,020

Note 6 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(a).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted other government contributions	$ 13,947	$ 4,375
Investments and other income	3	24
Donations restricted for capital purposes	103	93
Alberta Health and Wellness	490	-
Refund to Alberta Infrasturcture	(26)	-
Proceeds on disposal of externally funded assets (Note 4(a))	175	-
Amounts transferred from Deferred Contributions (Note 5)	680	-
	15,372	4,492
Transferred to:		
Unamortized external capital contributions (Note 8)	(10,125)	(3,482)
Change during the year	5,247	1,010
Balance, beginning of year	2,327	1,317
Balance, end of year	$ 7,574	$ 2,327

Balance at end of year is restricted for the following purposes:

	2000	1999
Equipment replacement	$ 367	$ -
Betterment of capital assets	94	551
New construction	7,113	1,776
	$ 7,574	$ 2,327

Note 7 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan, which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded liability, for the Local Authority Registered Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on the same actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 75	$ 60
Public Service Pension Plan	12	65
	$ 87	$ 125

The decrease in pension plan obligation has been presented as follows:

	2000	1999
	(thousands of dollars)	
Allocated to programs	$ 38	$ 3

Note 8 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(a). The balance at the end of the year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	$ 30,491	$ 28,689
Add amounts transferred from deferred capital contributions (Note 6)	10,125	3,482
Unamortized portion of disposals (Note 4(a))	(92)	-
Less amounts recognized as revenue Health operations	(1,780)	(1,680)
	$ 38,744	$ 30,491

Note 9 Unrestricted and Internally restricted net assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ 1,335	$ 1,335
Changes since regionalization		
Cumulative operating surplus (deficit)	2,520	(1,732)
Invested in capital assets (net of amortization)	(120)	(40)
	$ 3,735	$ (437)
Balance at end of year consists of:		
Unrestricted	$ 735	$ (437)
Internally restricted	3,000	-
	$ 3,735	$ (437)

Note 10 Internally Restricted Net Assets

The Authority has internally restricted amounts for:

	2000	1999
	(thousands of dollars)	
Future equipment replacement	$ 2,400	$ -
Board directed - one time project	560	-
Action for Health Community grants	40	-
	$ 3,000	$ -

Note 11 Budget

	Approved Budget[1]	Additional Approved Budget[2]	Unfunded Pension Adjustments[3]	Contracted Health Services	Reported Budget
			(thousands of dollars)		
Revenue					
Alberta Health and Wellness contributions	$ 39,097	$ 2,670	$ -		$41,767
Other government contributions	271	-	-		271
Fees and charges	4,202	-	-		4,202
Ancillary operations, net	-	-	-		-
Donations	25	-	-		25
Investment and other income	327	-	-		327
Amortization of external capital contributions	1,842	-	-		1,842
	45,764	2,670	-	-	48,434
Expenses					
Facility based inpatient acute services	6,955	-	3		6,958
Facility based emergency and outpatient services	1,657	-	1		1,658
Facility based continuing care services	9,340	160	3	(572)	8,931
Community and home based services	2,813	107	(24)		2,896
Diagnostic and therapeutic services	6,642	-	3	90	6,735
Promotion, prevention and protection services	2,056	-	(29)		2,027
Administration	2,406	-	1	72	2,479
Information technology and alberta we net	588	-	-		588
Y2K remedial costs	137	-	-		137
Support services	10,916	-	4	410	11,330
Amortization of facilities and improvements	1,420	-	-		1,420
	44,930	267	(38)	-	45,159
Excess of revenue over expenses	$ 834	$ 2,403	$ 38	$ -	$ 3,275

Note 11 **Budget (continued)**

(1) The budget was approved by the Board of the Authority on April 21, 1999 and was approved by the Minister of Health and Wellness.

(2) On November 15 and 18, 1999, the Minister of Health and Wellness provided additional funding. These additional resources were allocated by the Board to address funding expectations as follows:

Broda Funding	
- Continuing Care	$ 160
- Community and home based	107
Accumulated deficit	437
Replenish equity	1,966
	$ 2,670

(3) Unfunded pension adjustment arising from change in the pension liability had not been budgeted by the Authority, as this information was not readily available at the time the budget was approved.

Note 12 **Alberta Health and Wellness Contributions**

	2000		1999
	Budget (Note 11)	Actual	Actual
	(thousands of dollars)		
Unrestricted contributions	$ 41,630	$ 41,642	$ 36,563
Transferred from deferred contributions (Note 5)	137	128	260
	$ 41,767	$ 41,770	$ 36,823

Note 13 **Other Government Contributions**

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Alberta Infrastructure	$ 225	$ 64	$ 32
Government of Canada - Primary Care	-	205	38
Telehealth	-	11	1
Other	46	14	63
	$ 271	$ 294	$ 134

Note 14 **Ancillary Operations**

	2000				1999
	Non-Patient Food Services Operations	Rental Operations	Total	Budget	Total
	(thousands of dollars)				
Revenues					
Revenues	$ 266	$ 43	$ 309	400	$ 286
Expenses					
Other expenses	334	47	381	400	412
Amortization	-	1	1	-	2
	334	48	382	400	414
Deficiency of revenue over direct expenses 1999-2000	$ (68)	$ (5)	$ (73)	$ -	$ (128)
Excess (deficiency) of revenue over direct expenses 1998-1999	$ (141)	$ 13	$(128)	$ -	$ (128)

Note 15 Investment and Other Income

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Unrestricted investment income	$ 100	$ 324	$ 203
Other income	227	327	244
	$ 327	$ 651	$ 447

Investment income is comprised of interest, dividends, amortization of discount and premiums, and net gains on disposal of investments.

Other income is comprised of laundry recoveries; compensation reimbursed from Workers Compensation and collective agreements, recovery of supplies and services provided to physician's offices, recovery of outpatient supplies.

Note 16 Administration

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
General administration	$ 1,459	$ 1,446	$ 1,241
Finance	579	524	470
Personnel	441	378	352
	$ 2,479	$ 2,348	$ 2,063

Note 17 Information technology and alberta we//net

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
alberta we//net	$ 95	$ 49	$ 180
Information systems support	493	736	433
	$ 588	$ 785	$ 613

alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999/2000, or to develop applications to support we//net initiatives. In accordance with Generally Accepted Accounting Principles, $265 (1999 - $nil) is capitalized and $49 (1999 - $180) is expensed.

Note 18 Y2K remedial costs

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 19 Support Services

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Building maintenance, operations and security	$ 3,311	$ 3,166	$ 2,826
Communications	386	346	338
Education	122	74	120
Housekeeping	1,524	1,549	1,458
Laundry and linen	543	581	580
Materials management/CSR	623	562	571
Patient food services	3,006	2,718	2,746
Patient health records/Patient Registration/Volunteer	1,114	1,096	980
Patient transportation	701	859	742
	$ 11,330	$ 10,951	$ 10,361

Note 20 Change in Non-Cash Working Capital Accounts

	2000	1999
	(thousands of dollars)	
Accounts and contributions receivable	$ (565)	$ 1,037
Inventories	(20)	(19)
Prepaid expenses	(180)	33
Accounts payable	686	469
Accrued vacation pay	185	30
Deferred contributions	(159)	(67)
	$ (53)	$ 1,483

Note 21 Related Parties

(a) Province of Alberta

The Authority is established under the Regional Health Authority Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in Notes 5,6,11,12 and 13 to the financial statements.

(b) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

Facility Name	2000 Direct Authority Funding	2000 Approved Patient Fees and Charges	2000 Total	1999 Total
	(thousands of dollars)			
Linden Nursing Home	900	367	1,267	1,264
Reported in:				
Facility based continuing care services			$ 695	$ 674
Diagnostic and therapeutic services			90	93
Administration			72	130
Support services			410	367
			$ 1,267	$ 1,264

Note 22 Commitments

The Authority is committed to a major capital construction contract in the amount of $28,537. Alberta Infrastructure is separately funding this commitment.

Note 23 Comparative Figures

Certain 1999 figures have been reclassified to confirm to 2000 presentation.

Note 24 Approval of Financial Statements

The Authority has approved these financial statements.

Schedule 1

HEALTH AUTHORITY 5
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Salaries, benefits, allowances and severance (Schedule 2)	$ 30,493	$ 30,063	$ 28,287
Contracts with health service operators (Note 21(b))	1,265	1,267	1,264
Drugs, gases, medical and surgical supplies	1,416	1,633	1,540
Consulting services	766	1,133	989
Other	9,527	8,742	8,291
Amortization and disposals:			
Capital equipment - internally funded	250	368	167
Capital equipment - externally funded	422	454	348
Facilities and improvements	1,420	1,326	1,330
	45,559	44,986	42,216
Less amounts reported in ancillary operations (Note 14)	(400)	(382)	(414)
	$ 45,159	$ 44,604	$ 41,802

Schedule 2

HEALTH AUTHORITY 5
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCES
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999			
					Severance(4)						
	Number of Individuals(1)	Salaries and Honoraria(2)	Benefits and Allowances(3)	Subtotal	Number of Individuals	Amount	Total	Number of Individuals(1)	Salaries and Honoraria(2)	Severance Amount	Total
Authority/Board Compensation											
RHA Chairperson											
Peterson, Terry		15		15			15		12		12
Members											
Bauman, Myrna		5		5			5		5		5
Doore, Alayna		5		5			5		3		3
Gaudolin, Don		4		4			4		4		4
Hoff, Otto							-		2		2
Johnston, Ed		7		7			7		2		2
Layden, Wayne							-		1		1
Miller, Joyce							-		3		3
Olson, Viola		5		5			5		4		4
Smyth, Eileen		1		1			1		6		6
Sparling, John		2		2			2		2		2
Turner, Jim		7		7			7		3		3
Wahl, Arlene							-		3		3
Wiens, Carol		5		5			5		7		7
Wilson, Jim		3		3			3		4		4
Total honoraria	-	59	-	59	-	-	59	-	61	-	61
Staff											
Chief Executive Officer	1.00	98	15	113			113	1.00	115	-	115
Medical Officer	0.40	38	-	38			38	0.40	35	-	35
Management person(s) reporting to the CEO											
Executive Director - Corporate Services	0.25	21	3	24			24	-	-	-	-
Executive Director - Client Health	0.30	27	4	31			31	-	-	-	-
VP Health Services	-	-	-	-			-	0.30	23	-	23
VP Program Planning & Business Development	-	-	-	-			-	0.80	68	81	149
VP Corporate Services	0.67	58	9	67		188	255	1.00	90	-	90
CFO	0.75	56	8	64			64	1.00	79	-	79
Other management person(s) reporting to those above (avg. 2000 $75, avg. 1999 $71)(exc. severance)	8.23	535	80	615			615	7.00	499	14	513
Other management person(s) reporting to those above (avg. 2000 $66, avg. 1999 $63) (excl severance)	12.10	714	107	821		36	857	13.50	855	-	855
Regulated nurses not included above (avg. 2000 $49, avg. 1999 $46) (excl severance)	227.27	9,739	1,508	11,247			11,247	225.81	10,398	7	10,405
Other health technical and professionals (avg. 2000 $56, avg. 1999 $54) (excl severance)	82.18	3,989	618	4,607			4,607	74.41	4,014	20	4,034
Unregulated health service providers (avg. 2000 $29, avg. 1999 $27) (excl severance)	124.27	3,101	480	3,581			3,581	130.41	3,533	-	3,533
Other staff (avg. 2000 $35, avg. 1999 $33) (excl severance)	240.84	7,447	1,163	8,610			8,610	251.85	8,374	24	8,398
Pension obligation adjustment		(38)		(38)			(38)		(3)		(3)
Total	698.26	$ 25,844	$ 3,995	$ 29,839	-	$ 224	$ 30,063	707.48	$ 28,141	$ 146	$ 28,287

Schedule 2 (continued)

SCHEDULE OF SALARIES, BENEFITS, ALLOWANCES AND SEVERANCES

FOR THE YEAR ENDED MARCH 31, 2000

(1) Full time equivalent (FTE) has been determined as follows:

a) For those employees governed by the UNA collective agreement FTE is defined as 1,920 hours per annum.
b) For those employees governed by the Community Health Services collective agreements FTE is defined as 1,827 hours per annum.
c) For all other employees FTE is defined as 2,023 hours per annum.

(2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances included the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

(4) Severance includes:

All monies paid directly or on behalf of an employee upon termination which are not or have not been included in salaries and benefits and forgiveness of debt.

Schedule 3

HEALTH AUTHORITY 5
THREE YEAR SUMMARY OF REVENUES AND EXPENSES
(thousands of dollars)

	Actual		
	2000	1999	1998
Revenue			
Alberta Health and Wellness contributions	$ 41,770	$ 36,823	$ 34,863
Other government contributions	294	134	207
Fees and charges	4,469	4,421	4,247
Ancillary operations, net	(73)	(128)	(208)
Donations	23	18	39
Investment and other income	651	447	431
Amortization of external capital contributions	1,780	1,680	2,530
	48,914	43,395	42,109
Expenses			
Facility based inpatient acute services	6,960	6,422	7,340
Facility based emergency and outpatient services	1,690	1,557	378
Facility based continuing care services	8,817	8,549	8,461
Community and home based services	2,602	2,291	2,014
Diagnostic and therapeutic services	6,989	6,593	6,253
Promotion, prevention and protection services	2,029	1,763	1,852
Administration	2,348	2,063	2,604
Information technology and alberta we/net	785	613	130
Y2K remedial costs	107	260	-
Support services	10,951	10,361	10,249
Amortization of facilities and improvements	1,326	1,330	2,267
	44,604	41,802	41,548
Excess of revenue over expenses	$ 4,310	$ 1,593	$ 561

DAVID THOMPSON REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2000
and
AUDITORS' REPORT

D|HR
David Thompson Health Region

CUTHBERTSON SANDALL
chartered accountants

Partners
T A Cuthbertson, C A
D B Sandall, C A
R J Lafleure, C A
T C Lam, C A
T D Dean, C A
G Vetter, C A
J H Hicks, C A
J P Stipp, C A
I K Ostrem, C A
N K Martin, C A
M R Bravington, C A

Associates
D T Snow, C A
D B Cooper, C A

AUDITORS' REPORT

TO THE MEMBERS OF THE
DAVID THOMPSON REGIONAL HEALTH AUTHORITY
AND THE MINISTER OF HEALTH

We have audited the statement of financial position of the David Thompson Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

June 23, 2000
Red Deer, Alberta

Cuthbertson Sandall
Chartered Accountants

In touch with business
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David Thompson Regional Health Authority
Management's Responsibility For Financial Reporting
March 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Governance Committee. This Committee meets with management and the external auditor, Cuthbertson Sandall, Chartered Accountants, to discuss and review financial matters, and recommends the financial statements to the David Thompson Regional Health Authority Board for approval. The external auditor has full and free access to the Governance Committee.

Chief Executive Officer

Vice President - Corporate Support Services

"healthy people living in healthy communities"

David Thompson Regional Health Authority
Statement of Financial Position
March 31, 2000
(thousands of dollars)

	2000	1999
Assets		
Current:		
Cash and temporary investments (Note 3)	29,245	20,671
Accounts receivable (Note 4)	6,549	4,518
Inventories	2,523	2,538
Prepaid expenses	833	415
	39,150	28,142
Non-current cash and accounts receivable (Note 5)	6,505	9,974
Capital assets (Note 6)	110,421	104,692
Other assets (Note 7)	558	802
	156,634	143,610
Liabilities and Net Assets		
Current:		
Accounts payable	14,180	11,400
Accrued vacation pay	7,203	6,338
Current portion of deferred contributions (Note 8)	1,260	942
Current portion of long-term debt (Note 10)	786	744
	23,429	19,424
Deferred contributions (Note 8)	4,897	7,416
Deferred capital contributions (Note 9)	1,608	2,558
Long-term debt (Note 10)	1,473	2,257
Pension plan obligation (Note 11)	351	479
Unamortized external capital contributions (Note 12)	96,022	90,134
	127,780	122,268
Net assets:		
Unrestricted (Note 13)	1,413	684
Internally restricted (Note 13)	15,726	9,526
Investment in capital assets	11,715	11,132
	28,854	21,342
	156,634	143,610

The accompanying notes and schedules are part of these financial statements.

Approved on behalf of the David Thompson Regional Health Authority:

Jean Graham
Chairperson

Board Member

David Thompson Regional Health Authority
Statement of Operations
For the Year Ended March 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 14)	Actual	Actual
Revenues			
Alberta Health and Wellness contributions (Note 15)	156,912	159,482	143,986
Other government contributions (Note 16)	716	1,459	934
Fees and charges	11,237	12,115	11,497
Net ancillary operations (Note 17)	429	521	539
Donations	900	866	990
Investment and other income (Note 18)	3,434	4,902	3,390
Amortization of external capital contributions (Note 12)	6,652	5,114	5,287
	180,280	184,459	166,623
Expenses (Schedule 1)			
Facility based inpatient acute services	41,513	43,635	39,665
Facility based emergency and outpatient services	9,340	9,444	8,560
Facility based continuing care services	21,574	21,198	19,823
Community and home based services	8,854	8,307	8,794
Diagnostic and therapeutic services	34,037	34,414	31,494
Promotion, prevention and protection services	5,120	5,184	4,940
Administration (Note 19)	8,512	8,595	8,285
Support services (Note 20)	35,207	35,940	33,557
Information technology and we//net (Note 21)	3,208	3,240	2,257
Amortization of facilities and improvements	4,674	4,446	4,494
Year 2000 remedial costs	-	2,544	2,403
	172,039	176,947	164,272
Excess of revenues over expenses	8,241	7,512	2,351

David Thompson Regional Health Authority
Statement of Changes in Net Assets
For the Year Ended March 31, 2000
(thousands of dollars)

	2000				1999
	Unrestricted	Internally Restricted (Note 13)	Invested in Capital Assets	Total	Total
Beginning of year	684	9,526	11,132	21,342	18,991
Excess of revenues over expenses	7,512	-	-	7,512	2,351
Internally restricted	(7,774)	7,774	-	-	-
Capital assets purchased with unrestricted funds	(162)	(1,574)	1,736	-	-
Amortization on internally funded capital assets	1,895	-	(1,895)	-	-
Repayment of long-term debt used to fund capital assets	(742)	-	742	-	-
End of year	1,413	15,726	11,715	28,854	21,342

David Thompson Regional Health Authority
Statement of Cash Flows
For the Year Ended March 31, 2000
(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
Cash generated from (used by):			
Operating activities			
Excess of revenues over expenses	8,241	7,512	2,351
Non-cash transactions			
Decrease in unfunded pension obligation	-	(128)	(7)
Amortization of capital equipment - internally funded	2,368	1,799	1,994
Amortization of capital equipment - externally funded	2,229	716	793
Amortization of facilities and improvements	4,674	4,446	4,494
Amortization of external capital contributions	(6,652)	(5,114)	(5,287)
Loss (gain) on disposal of capital assets	-	48	(14)
	10,860	9,279	4,324
Changes in non-cash working capital accounts (Note 22)	293	1,529	(329)
Cash generated from operations	11,153	10,808	3,995
Investing activities			
Purchase of capital assets:			
Internally funded	(2,389)	(1,736)	(2,837)
Externally funded equipment	(12,982)	(8,875)	(6,001)
Externally funded facilities and improvements	(980)	(2,127)	(847)
Proceeds on sale of capital assets	-	-	42
Decrease in other assets	209	244	64
Cash used by investing activities	(16,142)	(12,494)	(9,579)
Financing activities			
Allocations from non-current cash and accounts receivable (Note 5)	9,027	3,469	6,249
Decrease in deferred contributions	-	(2,519)	(7,741)
Capital contributions received (Note 9)	2,500	10,052	8,340
Principal payments on long-term debt	(741)	(742)	(683)
Proceeds from issue of long-term debt	-	-	835
Cash generated from financing activities	10,786	10,260	7,000
Increase in cash and temporary investments	5,797	8,574	1,416
Cash and temporary investments, beginning of year	20,671	20,671	19,255
Cash and temporary investments, end of year	26,468	29,245	20,671

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 1 Authority, Purpose and Operations

The David Thompson Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is a registered charity under the Income Tax Act and is, therefore, exempt from payment of income tax.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The Authority operates the following facilities and sites:

Bashaw Health Centre
Bentley Care Centre
Dr. Richard Parsons Care Centre
Innisfail Health Centre
Lacombe Hospital and Care Centre
Olds Hospital and Care Centre
Ponoka Hospital and Care Centre

Red Deer Nursing Home
Red Deer Regional Hospital Centre
Rimbey Hospital and Care Centre
Rocky Mountain House Hospital and Care Centre
Sundre Hospital and Care Centre
Valley Park Manor

Eckville Community Health Centre
Elnora Community Health Centre
Lacombe Community Health Centre
Olds Community Health Centre
Ponoka Community Health Centre

Red Deer Community Health Centre
Rimbey Community Health Centre
Rocky Mountain House Community Health Centre
Sundre Community Health Centre
Sylvan Lake Community Health Centre

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 23(b).

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. Following are the significant accounting policies:

(a) Basis of Presentation

These financial statements are prepared on a consolidated basis and include the accounts of the facilities and sites disclosed in Note 1 but do not include the accounts of the Red Deer Regional Hospital Centre Foundation.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Revenue Recognition

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair market value when such value can reasonably be determined.

(c) Full Cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services are recorded. The fair value transactions recorded consist of the following:

(i) Revenues earned by contracted health service operators from Ministry of Health designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(c) Full Cost (continued)

(ii) Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenues and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(iv) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenues and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(d) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

The pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plans' total unfunded liability to participating employers.

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(d) Pension Plan Expense and Obligation (continued)

The unallocated pension adjustment represents the immediate recognition of the effect of a gain or loss on the pension obligation, when there is reasonable assurance that the gain or loss has been realized.

(e) Investments

Temporary investments are recorded at the lower of cost or market value.

(f) Financial Instruments

The carrying value of temporary investments, accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

The carrying value of long-term debt approximates its fair value because the interest rates approximate market value.

(g) Inventories

Inventories are valued at the lower of cost or net realizable value.

(h) Capital Assets

Capital assets and construction projects in progress are recorded at cost.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Buildings	40 years
Land improvements	20 years
Building service equipment	20 years
Equipment	5-20 years
Asset development costs	3 years

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(h) Capital Assets (continued)

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(i) Measurement Uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Note 3 Cash and Temporary Investments	2000	1999
	(thousands of dollars)	
Cash	4,260	5,047
Temporary investments	24,985	15,624
	29,245	20,671

Temporary investments are comprised of money market mutual fund units and interest bearing investments which accrue investment income at current market rates.

Note 4 Accounts Receivable	2000	1999
	(thousands of dollars)	
Contributions receivable	301	3,034
Other receivables	6,248	1,484
	6,549	4,518

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 5 Non-current Cash and Accounts Receivable

Non-current cash and accounts receivable are represented by the following:

	2000	1999
	(thousands of dollars)	
Cash		
Externally restricted donations for capital purposes	10	72
Externally restricted grants for capital purposes	2,231	8,486
	2,241	8,558
Accounts receivable		
Externally restricted grants for capital purposes	4,264	1,416
	6,505	9,974

Note 6 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		(thousands of dollars)		
Land	3,510	-	3,510	3,510
Land improvements	2,530	1,404	1,126	1,051
Buildings	159,948	78,642	81,306	83,974
Equipment	48,339	26,471	21,868	10,881
Asset development costs	516	335	181	327
Construction in progress	2,430	-	2,430	4,949
	217,273	106,852	110,421	104,692

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Short-term debt	425	425
Long-term debt (Note 10)	2,259	3,001
Unamortized external capital contributions (Note 12)	96,022	90,134
Net assets invested in capital assets	11,715	11,132
	110,421	104,692

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 7 Other Assets

	2000	1999
	(thousands of dollars)	
Energy conservation program	531	771
Mineral rights	24	29
Patronage dividends	3	2
	558	802

Energy conservation program is represented by the following:

	2000	1999
	(thousands of dollars)	
Cost	978	978
Accumulated amortization	(447)	(207)
	531	771

Note 8 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted Alberta Health and Wellness contributions	6,279	192
Other government contributions	1,643	902
Amounts transferred to deferred capital contributions (Note 9)	(6,352)	(5,713)
Amounts recognized as revenue:		
Other government contributions	(3,563)	(2,948)
Investment and other income	(208)	(42)
Change during the year	(2,201)	(7,609)
Balance, beginning of year	8,358	15,967
Balance, end of year	6,157	8,358
Less current portion	(1,260)	(942)
	4,897	7,416

Note 8 Deferred Contributions (continued)

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
	(thousands of dollars)	
Non-current		
Healthy Aging Partnership	1,628	-
Year 2000 upgrades	2,894	7,416
Health Innovation Fund	375	-
	4,897	7,416
Current		
Alberta Public Works Supply and Services renovation projects	1,072	657
Lab management	12	24
Case costing	74	74
Primary health care	52	153
Prenatal nutrition	16	-
Hep B	15	-
Other	19	34
	1,260	942
	6,157	8,358

Note 9 Deferred Capital Contributions

The deferred contributions balance represents amounts accounted for in accordance with the accounting policy described in Note 2(b).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted other government contributions	3,411	2,320
Amounts transferred from deferred contributions (Note 8)	6,352	5,713
Donations restricted for capital purposes	289	307
	10,052	8,340
Transferred to:		
Unamortized external capital contributions (Note 12)	(11,002)	(6,848)
Change during the year	(950)	1,492
Balance, beginning of year	2,558	1,066
Balance, end of year	1,608	2,558

Note 9 Deferred Capital Contributions (continued)

Balance at end of year is restricted for the following purposes:

	2000	1999
	(thousands of dollars)	
Equipment replacement	460	1,072
Betterment of capital assets	1,148	1,486
	1,608	2,558

Note 10 Long-term Debt

	2000	1999
	(thousands of dollars)	
Bank loan, due in monthly installments of $48,858 including interest at 5.64%. Secured by a general assignment of book debts, due April 1, 2001.	886	1,406
Bank loan, due in monthly installments of $6,827 including interest at 5.49%. Secured by a general assignment of book debts, due November 1, 2003.	786	824
Bank loan, due in monthly installments of $11,902 including interest at 5.64%. Secured by a general assignment of book debts, due April 1, 2001.	312	433
Bank loan, due in monthly installments of $6,660 including interest at 5.64%. Secured by a general assignment of book debts, due April 1, 2001.	275	338
	2,259	3,001
Less current portion	(786)	(744)
Long-term portion	1,473	2,257

Note 10 Long-term Debt (continued)

Future principal payments are estimated as follows:

2001	786
2002	584
2003	166
2004	112
2005 and thereafter	611
	2,259

Note 11 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and the Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for the Authority's employees based on length of service and earnings.

The total unfunded pension liability for the Local Authorities Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis to determine the amount of the total unfunded liability for each plan which will be funded by employers.

The liability of the Public Service Pension Plan is to be eliminated by December 31, 2036 through additional contributions by the participating employers, employees and the Crown.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	310	248
Public Service Pension Plan	41	231
	351	479

Note 11 Pension Plan Obligation (continued)

The decrease in pension plan obligation has been presented as follows:

	2000	1999
	(thousands of dollars)	
Allocated to programs:		
Facility based inpatient acute services	16	(1)
Facility based emergency and outpatient services	3	-
Facility based continuing care services	8	-
Community and home based services	(123)	(4)
Diagnostic and therapeutic services	13	-
Promotion, prevention and protection services	(61)	(2)
Administration	4	-
Support services	12	-
	(128)	(7)

Note 12 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(b). The balance at the end of the year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance, beginning of year	90,134	88,573
Add: Amounts transferred from deferred capital contributions (Note 9)	11,002	6,848
Less: Amounts recognized as revenue	(5,114)	(5,287)
Balance, end of year	96,022	90,134

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 13 Unrestricted and Internally Restricted Net Assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	(1,546)	(1,546)
Changes since regionalization:		
Cumulative operating surplus (excluding pension plan obligation adjustments)	13,366	5,982
Reduction in pension plan obligation	5,871	5,743
Issuance of long-term debt for the purchase of capital assets	3,173	3,173
Repayment of long-term debt	(3,170)	(2,428)
Amortization on internally funded capital assets	11,065	9,170
Invested in capital assets	(11,620)	(9,884)
	18,685	11,756
	17,139	10,210
Unrestricted	1,413	684
Internally restricted	15,726	9,526
	17,139	10,210

The Authority has internally restricted net assets for the following purposes:

	2000	1999
	(thousands of dollars)	
Reserve for future equipment replacement	4,571	3,842
Authority designated for specific communities	5,730	5,684
One time funding reserve	4,019	-
Long-term debt repayment reserve	1,161	-
Other reserves	245	-
	15,726	9,526

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 14 Budget

	Approved Budget (1)	Additional Approved Budget (2)	Adjustments (3)	Reported Budget
		(thousands of dollars)		
Revenues				
Alberta Health and Wellness contributions	149,223	7,689	-	156,912
Other government contributions	716	-	-	716
Fees and charges	11,036	-	201	11,237
Net ancillary operations	429	-	-	429
Donations	900	-	-	900
Investment and other income	3,324	-	110	3,434
Amortization of external capital contributions	6,652	-	-	6,652
	172,280	7,689	311	180,280
Expenses				
Facility based inpatient services	40,290	-	1,223	41,513
Facility based emergency and outpatient services	9,288	-	52	9,340
Facility based continuing care services	23,238	585	(2,249)	21,574
Community and home based services	9,160	-	(306)	8,854
Diagnostic and therapeutic services	34,302	66	(331)	34,037
Promotion, prevention and protection services	5,086	-	34	5,120
Administration	7,499	-	1,013	8,512
Support services	33,971	108	1,128	35,207
Information technology and we//net	3,461	-	(253)	3,208
Amortization of facilities and improvements	4,674	-	-	4,674
	170,969	759	311	172,039
Excess of revenues over expenses	1,311	6,930	-	8,241

(1) The approved budget amounts were part of the annual business plan approved by the Board of the Authority on May 5, 1999 and subsequently approved by the Minister of Health.

Note 14 **Budget (continued)**

(2) During the year, the Minister of Health approved the following additional funding and adjustments:

	Revenues	Expenses
	(thousands of dollars)	
Broda report	759	759
One time funding	6,930	-
	7,689	759

(3) The following adjustments were made to the budget:

Voluntary and Private Health Service Operators

Subsequent to the approval of the budget the costs for the services provided by the Non-operated facility based continuing care facilities were reclassified. Amounts previously disclosed as Facility based continuing care have been reallocated to other individual program areas in accordance with Alberta Health and Wellness directives.

Classification Adjustments

The business plan submitted to Alberta Health and Wellness included significant budget allocations such as contingencies for employee salary negotiations based on management estimates. The budget was subsequently adjusted for actual settlement amounts as they became known.

Note 15 Alberta Health and Wellness Contributions

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Unrestricted contributions	156,715	156,741	141,575
Alberta Health and Wellness contribution for Year 2000 remedial costs	-	2,544	2,214
Restricted contributions made by Alberta Health and Wellness directly to contracted health service operators for capital upgrade	197	197	197
	156,912	159,482	143,986

Note 16 Other Government Contributions

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Alberta Public Works, Supply and Services	500	817	675
Fair value of rent for non-acute care facilities used by the Authority	216	216	216
Other contributions	-	426	43
	716	1,459	934

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 17 Net Ancillary Operations

	2000									1999
	(thousands of dollars)									
	Non-patient Food Services Operations	Laundry Operations	Lab Services	Parking Operations	TV Telephone	David Thompson Dispensary	Other	Total	Budget	Total
Revenues										
Revenues	727	53	372	794	81	754	27	2,808	2,500	2,589
Expenses										
Other expenses	692	51	363	457	40	635	30	2,268	2,052	2,031
Amortization	-	2	9	8	-	-	-	19	19	19
	692	53	372	465	40	635	30	2,287	2,071	2,050
Excess (deficiency) of revenues over direct expenses, 2000	35	-	-	329	41	119	(3)	521	429	539
Excess of revenues over direct expenses, 1999	117	-	-	266	34	112	10	539		

Note 18 Investment and Other Income

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Unrestricted investment income	1,093	2,349	1,169
Other income	2,341	2,553	2,221
	3,434	4,902	3,390

Investment income is comprised of interest and gain on sale of shares.

Other income is comprised of various revenue and expense recoveries external to the Authority.

Note 19 Administration

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
General administration	3,742	4,078	4,161
Finance	2,868	2,681	2,524
Human resources	1,902	1,836	1,600
	8,512	8,595	8,285

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 20 Support Services

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Bio-medical engineering	104	119	89
Building maintenance, operations and security	8,257	8,537	8,126
Communications	837	874	862
Education	1,347	1,437	1,378
Housekeeping	5,046	5,032	4,697
Laundry and linen	2,240	2,216	2,110
Materials management	3,729	3,548	3,175
Patient food services	7,329	7,320	7,219
Patient health records	2,670	2,677	2,431
Patient registration	1,537	1,587	1,424
Patient internal transportation	1,783	2,268	1,769
Volunteer services	328	325	277
	35,207	35,940	33,557

Note 21 Information Technology and Alberta We//net

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Alberta we//net	727	873	352
Information systems support	2,481	2,367	1,905
	3,208	3,240	2,257

During the 1999/00 fiscal year, the Authority contributed $727,000 to the Alberta we//net initiative.

Alberta we//net is the province-wide strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve the delivery of health services to all Albertans. Alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health in the planning and implementation of the network.

The Authority's contribution has been applied toward planning and predevelopment activities that will produce clinical and administrative deliverables beginning in 2000, or to develop applications to support we//net initiatives. In accordance with generally accepted accounting principles, the costs relating to the development of applications have been capitalized as asset development costs and the remainder have been expensed in the fiscal year.

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 22 Changes in Non-Cash Working Capital Accounts

The changes in non-cash working capital accounts are as follows:

	2000	1999
	(thousands of dollars)	
Accounts receivable	(2,031)	(3,162)
Inventories	15	(417)
Prepaid expenses	(418)	2
Accounts payable	2,780	2,553
Accrued vacation pay	865	563
Current portion of deferred contributions	318	132
	1,529	(329)

Note 23 Related Parties

(a) Controlled Foundations

The Authority controls the Red Deer Regional Hospital Centre Foundation (the Foundation). This control is a result of the Authority having significant economic interest in the Foundation and the purpose of the Foundation is integrated with the Authority. However, the Foundation is not consolidated in these financial statements.

Financial information for the Foundation, is as follows:

	2000	1999
	(thousands of dollars)	
Total assets	4,182	3,908
Total liabilities	2,428	2,425
Net assets	1,754	1,483
Revenues	1,594	1,056
Expenses	1,341	924
Excess of revenues over expenses	253	132

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 23 Related Parties (continued)

(a) Controlled Foundations (continued)

Financial information for the Foundation, is continued as follows:

Contributions Received by the Authority		Resources Held by the Foundation	
Year ended March 31,		As at March 31, 2000	
2000	1999	Externally Restricted	Unrestricted
(thousands of dollars)			
1,100	570	698	1,057

The Foundation's financial statements were prepared using the restricted fund method of accounting.

Contributions include externally restricted amounts for equipment, programs, research and education for the Red Deer Regional Hospital Centre.

The value of administrative support provided to the Foundation and the accounts receivable from the Foundation at year end are as follows:

Administrative Support		Accounts Receivable	
Year ended March 31,		As at March 31, 2000	
2000	1999	Externally Restricted	Unrestricted
(thousands of dollars)			
9	9	747	80

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 23 Related Parties (continued)

(b) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

	2000				1999
	(thousands of dollars)				
	Direct Authority Funding	Direct Alberta Health Funding	Approved Patient Fees and Charges	Total	Total
DKML/CHA/Crossroads Laboratories	2,879	-	-	2,879	2,844
Northcott Care Centre	1,840	197	699	2,736	2,572
St. Mary's Health Care Centre	1,371	-	263	1,634	1,597
Private physiotherapy clinics	1,218	-	-	1,218	1,225
Other	121	-	-	121	116
	7,429	197	962	8,588	8,354

The Authority views the relationships with these voluntary and private health service operators as ones where an economic interest exists. The Authority transfers significant resources to these organizations. These organizations are required to perform functions on behalf of the reporting organization that are integral to the Authority achieving its objectives.

The expenses related to these activities have been recorded as follows:

	2000	1999
	(thousands of dollars)	
Northcott Care Centre and St. Mary's Health Care Centre		
Facility based continuing care services	1,967	2,074
Diagnostic and therapeutic services	459	308
Administration	612	551
Support services	1,332	1,236
	4,370	4,169
All other operators		
Diagnostic and therapeutic services	4,218	4,185
	8,588	8,354

David Thompson Regional Health Authority
Notes to the Financial Statements
For the Year Ended March 31, 2000

Note 23 Related Parties (continued)

(c) Provincial Government

The Authority is established under the Regional Health Authorities Act and the Minister of Health and Wellness appoints the members of the Authority's board of directors. Transactions between the Authority and the Provincial Government/Alberta Health and Wellness are disclosed in the Statement of Operations and in Notes 8 and 15 to the financial statements.

Note 24 Comparative Figures

Certain 1998 and 1999 figures have been reclassified to conform to the 2000 presentation.

Note 25 Funds for Non-Owned Facilities

The Authority receives restricted funds from Alberta Public Works, Supply and Services that are to be paid to non-owned facilities for capital purposes and facility repairs. These amounts are not reported in the statements of financial position, operations and changes in net assets.

During the year the Authority received $100,000 (1999: $50,000). As at March 31, 2000 $107,591 (1999: $50,000) was held by the Authority.

Note 26 Year 2000 Issue

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Schedule 1

David Thompson Regional Health Authority
Schedule of Expenses by Object
For the Year Ended March 31, 2000
(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	120,229	123,392	114,328
Contracts with health service operators (Note 23(b))	8,429	8,588	8,354
Drugs, medical and surgical supplies	9,263	10,197	8,956
Consulting services and interpretation fees	4,423	4,549	3,741
Interest on long-term debt	146	146	160
Other	23,047	25,353	23,516
Amortization:			
Capital equipment - internally funded	1,810	1,847	1,994
Capital equipment - externally funded	1,979	716	779
Facilities and improvements	4,674	4,446	4,494
	174,000	179,234	166,322
Less amount reported in ancillary operations (Note 17)	2,071	2,287	2,050
	171,929	176,947	164,272

Schedule 2

David Thompson Regional Health Authority
Schedule of Salaries, Honoraria, Benefits, Allowances and Severance
For the Year Ended March 31, 2000
(thousands of dollars)

[illegible]

Schedule 2 (continued)

David Thompson Regional Health Authority
Schedule of Salaries, Honoraria, Benefits, Allowances and Severance
For the Year Ended March 31, 2000

(1) Full time equivalent (FTE) has been determined in annual hours as follows:

Management persons reporting to the CEO	2,022.75	
Other management	2,022.75	All other
	1,794.00	Community health
Regulated nurses	1,921.48	Registered nurses
	2,022.75	Licensed practical nurses
	1,794.00	Community health nurses
Other technical health and professional	2,022.75	All other
	1,794.00	Community health
Unregulated health service providers	2,022.75	All other
	1,794.00	Community health
Other staff	2,022.75	All other
	1,794.00	Community health

Total actual discrete number of individuals employed: 4,044 (1999: 3,842)

(2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, Employment Insurance, workers compensation, car benefits and allowances and tuition.

(4) Severance includes:

All monies paid directly or on behalf of an employee upon termination which have not been included in salaries and benefits.

(5) The total amount is reported in the following schedules:

	2000	1999
	(thousands of dollars)	
Schedule 1 - Expenses by Object	123,392	114,328
Consulting services - Medical Director	50	186
Total	123,442	114,514

Schedule 3

David Thompson Regional Health Authority
Three Year Summary of Revenues and Expenses
For the Period Commencing April 1, 1997
(thousands of dollars)

	Actual		
	2000	1999	1998
Revenues			
Alberta Health and Wellness contributions	159,482	143,986	130,705
Other government contributions	1,459	934	871
Fees and charges	12,115	11,497	10,849
Net ancillary operations	521	539	340
Donations	866	990	664
Investment and other income	4,902	3,390	3,241
Amortization of external capital contributions	5,114	5,287	5,057
	184,459	166,623	151,727
Expenses			
Facility based inpatient acute services	43,635	39,665	36,052
Facility based emergency and outpatient services	9,444	8,560	7,369
Facility based continuing care services	21,198	19,823	18,843
Community and home based services	8,307	8,794	8,621
Diagnostic and therapeutic services	34,414	31,494	28,327
Promotion, prevention and protection services	5,184	4,940	4,875
Administration	8,595	8,285	8,190
Support services	35,940	33,557	30,848
Information technology and wellnet	3,240	2,257	1,694
Amortization of facilities and improvements	4,446	4,494	4,577
Year 2000 remedial costs	2,544	2,403	243
	176,947	164,272	149,639
Excess of revenues over expenses	7,512	2,351	2,088

East Central Regional Health Authority 7

Financial Statements

March 31, 2000

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Management's Responsibility for Financial Reporting

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

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Notes to the Financial Statements

Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 Three Year Summary of Revenue and Expenses

AUDITOR'S REPORT

To the Members of the East Central Regional Health Authority 7
And the Minister of Health and Wellness.

I have audited the statement of financial position of the East Central Regional Health Authority 7 ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 8, 2000

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements have been prepared in accordance with generally accepted accounting principles and the financial directives issued by Alberta Health and Wellness and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Finance and Human Resources Committee. This Committee meets with management, and the Auditor General to discuss and review financial matters, and recommends the financial statements to the East Central Regional Health Authority 7 Board for approval. The Auditor General has full and free access to the Finance and Human Resources Committee.

The Auditor General provides an independent audit of the financial statements. His examining is conducted in accordance with generally accepted auditing standards and includes tests and other procedures, which allow him to report on the fairness of the financial statements prepared by management.

Steve Petz
President and
Chief Executive Officer

Norm Petherbridge, CA
Chief Financial Officer

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

STATEMENT OF FINANCIAL POSITION

March 31, 2000

(thousands of dollars)

	2000	1999
		(Restated)
ASSETS		
Current:		
Cash and temporary investments (Note 4)	$ 16,549	$ 17,355
Accounts receivable	1,422	656
Contributions receivable	343	232
Inventories	514	513
	18,828	18,756
Non-current cash and investments (Note 4)	1,233	227
Capital assets (Note 5)	79,830	82,198
TOTAL ASSETS	$ 99,891	$ 101,181
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 6,928	$ 7,271
Accrued vacation pay	3,759	3,467
Deferred contributions (Note 6)	2,310	4,352
	12,997	15,090
Deferred capital contributions (Note 7)	1,233	227
Pension plan obligation (Note 8)	185	300
Unamortized external capital contributions (Note 9)	77,795	80,512
	92,210	96,129
Net assets:		
Unrestricted (Note 10)	5,646	3,237
Internally restricted (Note 11)	-	129
Investment in capital assets	2,035	1,686
	7,681	5,052
TOTAL LIABILITIES AND NET ASSETS	$ 99,891	$ 101,181

The accompanying notes and schedules are part of these financial statements.

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

STATEMENT OF OPERATIONS

MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget (Note 12)	Actual	Actual (Restated)
Revenue			
Alberta Health and Wellness contributions (Note 13)	$ 112,586	$ 110,958	$ 100,644
Other government contributions (Note 14)	5,622	4,883	3,911
Fees and charges	11,268	11,222	11,195
Ancillary operations, net (Note 15)	114	78	49
Donations	-	310	164
Investment and other income (Note 16)	1,041	1,537	1,227
Amortization of external capital contributions, health operations (Note 9)	4,044	3,826	4,040
TOTAL REVENUE	134,675	132,814	121,230
Expenses (Schedule 1)			
Facility-based inpatient acute services	22,039	22,801	21,719
Facility-based emergency and outpatient services	3,483	3,334	3,158
Facility-based continuing care services	24,744	24,848	23,950
Community and home based services	12,736	12,925	11,108
Diagnostic and therapeutic services	17,853	18,100	17,321
Promotion, prevention and protection services	2,532	2,797	2,685
Research and education	58	65	58
Administration (Note 17)	8,376	8,370	7,908
Information technology and we/ net (Note 18)	1,147	1,717	1,097
Year 2000 remedial costs (Note 19)	2,972	1,364	961
Support services (Note 20)	31,157	30,712	28,392
Amortization of facilities and improvements	3,275	3,152	3,275
TOTAL EXPENSES	130,372	130,185	121,632
Excess (deficiency) of revenue over expenses	$ 4,303	$ 2,629	$ (402)

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

STATEMENT OF CASH FLOWS

March 31, 2000

(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual (Restated)
Cash generated from (used by):			
Operating activities:			
Excess (deficiency) of revenue over expense	$ 4,303	$ 2,629	$ (402)
Non-cash transactions:			
Decrease in unfunded pension obligations	-	(115)	-
Amortization of capital equipment - internally funded	478	318	264
- externally funded	773	813	766
Amortization of facilities and improvements	3,275	3,152	3,275
Amortization of external capital contributions	(4,048)	(3,965)	(4,044)
Externally funded capital assets previously accounted for as internally funded	-	137	-
Loss (gain) on disposal of capital equipment	-	(11)	(12)
	4,781	2,958	(153)
Change in non-cash working capital account (Note 21)	(2,971)	(2,971)	4,353
Cash generated (used by) operations	1,810	(13)	4,200
Investing activities:			
Purchase of capital assets:			
internally funded	(1,513)	(807)	(471)
externally funded (Note 7) - equipment	-	(863)	(208)
- facilities & improvements	-	(248)	-
Proceeds on sale of capital equipment	-	14	70
Allocations to non-current cash	-	(1,006)	(227)
Cash used by investing activities	(1,513)	(2,910)	(836)
Financing activities:			
Capital contributions received (Note 7)	-	2,117	435
Increase (decrease) in cash and temporary investments	297	(806)	3,799
Cash and temporary investments, beginning of year	17,670	17,355	13,556
Cash and temporary investments, end of year	$ 17,967	$ 16,549	$ 17,355

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

STATEMENT OF CHANGES IN NET ASSETS

March 31, 2000

(thousands of dollars)

	2000				1999
	Unrestricted (Note 10)	Internally Restricted (Note 11)	Invested in Capital Assets	Total	Total (Restated)
Balance at beginning of year:					
As previously reported	$ 3,237	$ 129	$ 1,961	5,327	$ 5,643
Prior period adjustments (Note 3)	-	-	(275)	(275)	(189)
As restated	3,237	129	1,686	5,052	5,454
Excess (deficiency) of revenue over expenses	2,629	-	-	2,629	(402)
Capital assets purchased with internal funds	(807)	-	807	-	-
Externally funded capital assets previously accounted for as internally funded (Note 9)	137	-	(137)	-	-
Amortization on internally funded capital assets	318	-	(318)	-	-
Disposal of capital assets, internally funded	3	-	(3)	-	-
Net change to unrestricted net assets	2,280	-	349	2,629	(402)
Transfer from internally restricted	129	(129)	-	-	-
Balance at end of year	$ 5,646	$ -	$ 2,035	$ 7,681	$ 5,052

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000

(thousands of dollars)

Note 1 Authority, Purpose and Operations

The East Central Regional Health Authority 7 (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, and Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The operations of the Authority include the following facilities and sites:

- Camrose Community Health Services
- Castor Community Health Services
- Consort Community Health Services
- Consort Health Centre
- Coronation Community Health Services
- Coronation Health Centre
- Daysland Health Centre
- Galahad Health Centre
- Hardisty Health Centre
- Islay Health Centre
- Kitscoty Community Health Services
- Mannville Health Centre
- Provost Community Health Services
- Provost Health Centre
- Sedgewick Community Health Services
- Stettler Community Health Services
- Stettler Health Centre
- Tofield Community Health Services
- Tofield Health Centre
- Vermilion Community Health Services
- Vermilion Health Centre
- Viking Community Health Services
- Viking Health Centre
- Wainwright Community Health Services
- Wainwright Health Centre

Note 1 Authority, Purpose, and Operations (continued)

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 22.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Following are the significant accounting policies:

(a) Basis of Presentation

(1) These financial statements do not include the assets, liabilities nor operations of the foundations described in Note 22(a), which are controlled by the Authority.

(2) These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when they become receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Endowments and restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Full Cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services are recorded. The fair value transactions as recorded consist of the following:

(i) Revenues earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments from Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount recorded as program expenses, as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations, and also recorded as program expense, since contract payments from the Authority do not include an amount for the use of these facilities.

(iv) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of this pension plan including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on unfunded liabilities; amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of change in the ratio used to allocate the pension plan's total unfunded liability to participating employers.

(d) Investments

Temporary investments are recorded the lower of cost or net realizable value.

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realized on disposal are recognized in the period of disposal.

Where there has been a loss in the value of an investment other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial Instruments

The carrying value of accounts receivable, bank overdraft, bank loans, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

(f) Inventories

Inventories are valued at the lower of cost or replacement value.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(g) Capital Assets

Capital assets and construction in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Land improvements	10-20 years
Buildings and improvements	20-40 years
Furniture and equipment	5-20 years

Construction projects in progress are not amortized until the project is complete.

(h) Trust Funds Received by the Authority for Non-owned Facilities

The Authority receives trust funds from Alberta Infrastructure that are to be paid to operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in these financial statements but are disclosed in Note 23.

Note 3 Prior Period Adjustments

(a) In past years, the Authority has provided funding of $358,000 in total to voluntary contract operators to acquire capital assets. The funding was capitalized in the years that it was provided. The assets acquired were reported as capital assets and equivalent amounts as net assets invested in capital assets in the Authority's financial statements.

(b) In 1998-99, the Authority received funds in trust from the Alberta Lottery Fund for a voluntary contract operator for capital purposes in the amount of $259,000. This amount was paid to the voluntary contract operator and reported as capital assets and unamortized external capital contributions in the Authority's 1999 financial statements.

The Authority has since determined that it does not have sufficient control over any of the assets acquired by voluntary contract operators to be able to report them as its own capital assets.

Restatement of prior period amounts, as presented in these financial statements, has been made.

Note 3 Prior Period Adjustments (continued)

The effect on the financial statements is as follows:

	Previously Reported	Adjustment (a)	Adjustment (b)	Restated
	(thousands of dollars)			
Statement of Changes in Net Assets:				
Net Assets, April 1, 1998	$ 5,643	$ (189)	$ -	$ 5,454
Excess (deficiency) of revenue over expenses, year ended March 31, 1999	(316)	86	-	(402)
Net Assets, March 31, 1999	$ 5,327	$ (103)	$ -	$ 5,052
Statement of Operations for the year ended March 31, 1999:				
Amortization of external capital contributions	$ 4,047	$ -	$ (7)	$ 4,040
Total expenses	$ 121,553	$ 86	$ (7)	$ 121,632
Excess (deficiency) of revenue over expenses	$ (316)	$ (86)	$ -	$ (402)
Statement of Financial Position at March 31, 1999:				
Capital assets	$ 82,725	$ (275)	$ (252)	$ 82,198
Unamortized external capital contributions	$ (80,764)	$ -	$ (252)	$ (80,512)
Net assets invested in capital assets	$ 1,961	$ (275)	$ -	$ 1,686

If these adjustments had not been made, capital assets and net assets at March 31, 2000 would have increased by $457,000 and the excess of revenues over expenses for the current year would have decreased by $68,000.

Note 4 Cash and Temporary Investments

	2000	1999
	(thousands of dollars)	
Cash	$ 1,701	$ 2,336
Fixed income investments	13,166	12,665
Equities	2,915	2,581
	$ 17,782	$ 17,582
Market value of cash and temporary investments	$ 17,752	$ 17,773
Classified as:		
Current	$ 16,549	$ 17,355
Non-current	1,233	227
	$ 17,782	$ 17,582

(i) Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk comprises of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value with future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

To earn the optimal financial returns at an acceptable level of risk, management has established a policy asset mix of 50% to 90% for fixed-income instruments and 0% to 20% for equities. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments.

(ii) Publicly traded fixed-income instruments are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within the risk constraints on the portfolio by management of portfolio duration and issuer mix.

Fixed-income securities have an average effective yield of 5.2% per annum based on the market for securities maturing in a year, and 6.2% per annum for securities maturing between 1 and 14 years. As at March 31, 2000, the securities have the following term structure based on par:

1 to 5 years	37%
6 to 10 years	54%
Over 10 years	9%

Note 4 Cash and Temporary Investments (continued)

(iii) Equities comprise publicly traded equities. Risk is reduced by prudent security selection and sector rotation.

Non-current cash and investments are externally restricted for capital acquisitions.

Note 5 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
				(Restated)
	(thousands of dollars)			
Land	$ 1,162	$ -	$ 1,162	$ 1,162
Land improvements	3,348	1,989	1,359	1,213
Buildings and improvements	119,148	46,369	72,779	75,794
Furniture and equipment	23,431	18,901	4,530	3,992
Construction in progress	-	-	-	37
	$ 147,089	$ 67,259	$ 79,830	$ 82,198

Capital assets have been funded from the following sources:

	2000	1999
		(Restated)
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$ 77,795	$ 80,512
Internally funded (invested in capital assets)	2,035	1,686
	$ 79,830	$ 82,198

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Note 6 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received		
Other government contributions	$ 2,207	$ 1,336
Interest on externally restricted contributions	92	96
Amounts recognized as revenue		
Alberta Health and Wellness contributions - Year 2000 (Note 13)	(1,362)	(961)
Other government contributions (Note14)	(2,340)	(1,550)
Amounts transferred to deferred capital contributions (Note 7)	(639)	(68)
Change during the year	(2,042)	(1,147)
Balance, beginning of year	4,352	5,499
	$ 2,310	$ 4,352

	2000	1999
Unspent amounts at end of year restricted for the following purposes		
Current		
Capital upgrading projects	$ 1,245	$ 1,457
Primary Health Services Projects	104	-
Fetal Alcohol Syndrome Project	6	-
Year 2000	955	2,895
	$ 2,310	$ 4,352

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Note 7 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(a)(2).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted Alberta Health and Wellness contributions:		
alberta we//net	$ 50	$ -
Healthy Aging Partnership Initiatives (HAPI)	$ 1,205	$ -
Restricted other government contributions	35	-
Donations restricted for capital purposes	188	367
	1,478	367
Amounts transferred from deferred non-capital contributions (Note 6)	639	68
	2,117	435
Transferred to:		
Unamortized external capital contributions (Note 9)	(1,111)	(208)
Change during the year	1,006	227
Balance, beginning of year	227	-
Balance, end of year	$ 1,233	$ 227

	2000	1999
Balance at end of year is restricted for the following purposes:		
Equipment replacement	$ 26	$ 5
Healthy Aging Partnership Initiatives (HAPI)	$ 1,205	
Heliport construction	2	222
	$ 1,233	$ 227

Note 8 **Pension Plan Obligation**

The Authority and its employees participate with other employers in the Local Authorities Pension Plan which is a defined benefit pension plan. This plan provides pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authorities Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the total unfunded liability amount for each plan, which will be funded by employers.

In January 2000, all staff who participated in the Public Service Pension Plan were transferred to the Local Authorities Pension Plan. This transfer has resulted in elimination of the Public Service Pension Plan obligation and an increase in the Local Authorities Pension Plan obligation.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 185	$ 138
Public Service Pension Plan	-	162
	$ 185	$ 300

The decrease in the pension plan obligation of $115,000 (1999 - $nil) has been allocated to programs.

Note 9 **Unamortized External Capital Contributions**

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2(a)(2). The balance at end of year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
		(Restated)
	(thousands of dollars)	
Balance at beginning of year	$ 80,512	$ 84,348
Add amounts transferred from deferred capital contributions (Note 7)	1,111	208
Less amounts recognized as revenue:		
Health operations	(3,963)	(4,037)
Ancillary operations (Note 15)	(2)	(4)
Unamortized portion of disposals	-	(3)
Externally funded capital assets previously accounted for as internally funded	137	-
	$ 77,795	$ 80,512

Note 10 **Unrestricted and Internally Restricted Net Assets**

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
		(Restated)
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ (486)	$ (486)
Changes since regionalization:		
Cumulative operating surplus	7,026	4,397
Invested in capital assets (net of amortization)	(894)	(545)
Balance	$ 5,646	$ 3,366
Unrestricted	$ 5,646	$ 3,237
Internally restricted	-	129
	$ 5,646	$ 3,366

Note 11 **Internally Restricted Net Assets**

The Authority has internally restricted the amount of $nil (1999 - $129,000) for the Healthy Communities projects within the region.

Note 12 Budget

	Approved Budget [1]	Additional Funding [2]	Reclassifications [3]	Reported Budget
Revenue				
Alberta Health and wellness contributions	$ 105,321	$ 4,293	$ 2,972	$ 112,586
Other government contributions	8,594	-	(2,972)	5,622
Fees and charges	11,268	-	-	11,268
Ancillary operations, net	114	-	-	114
Donations	-			-
Investment and other income	1,041	-	-	1,041
Amortization of external capital contributions	4,044	-	-	4,044
	130,382	4,293	-	134,675
Expenses				
Facility-based inpatient acute services	27,050	-	(5,011)	22,039
Facility-based emergency and outpatient services	4,088	-	(605)	3,483
Facility-based continuing care services	35,744	-	(11,000)	24,744
Community and home based services	12,728	-	8	12,736
Diagnostic and therapeutic services	16,595	-	1,258	17,853
Promotion, prevention and protection services	2,532	-	-	2,532
Research and education	58	-	-	58
Administration	4,833	-	3,543	8,376
Information technology and we net	1,147	-	-	1,147
Year 2000 remedial costs	2,972	-	-	2,972
Support services	19,350	-	11,807	31,157
Amortization of facilities and improvements	3,275	-	-	3,275
	130,372	-	-	130,372
Excess of revenue over expense	$ 10	$ 4,293	$ -	$ 4,303

(1) The budget was approved by the Authority on May 20, 1999, and approved by the Minister of Health and Wellness.

(2) The Minister of Health approved the additional funding in November 1999.

(3) Budget amounts have been reclassified, where necessary, to conform to the current year presentation.

Note 13 Alberta Health and Wellness Contributions

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Unrestricted contributions	$ 109,431	$ 109,413	$ 99,500
Transfers from deferred contributions (Note 6)	2,972	1,362	961
Capital upgrade	183	183	183
	$ 112,586	$ 110,958	$ 100,644

Note 14 Other Government Contributions

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Alberta Infrastructure	$ 3,207	$ 2,156	$ 1,485
Others	54	184	65
	3,261	2,340	1,550
Fair value of rent less rent charges for non-acute care facilities used by the Authority	244	426	244
Fair value for use of non-owned acute care facilities	2,117	2,117	2,117
	$ 5,622	$ 4,883	$ 3,911

Note 15 Ancillary Operations

	2000 Non Patient Food Services Operations	2000 Assisted Living Projects	2000 Other Operations	2000 Total	2000 Budget	1999 Total
Revenue						
Revenue	$ 612	$ 182	$ 130	$ 1,124	$ 1,114	$ 1,146
Amortization of deferred capital contributions (Note 9)	2	0	0	2	4	4
	614	182	130	1,126	1,118	1,150
Expenses						
Other expenses	611	190	37	1,038	994	1,105
Amortization	3	0	7	10	10	(4)
	614	190	44	1,048	1,004	1,101
Excess (deficiency) of revenue over direct expenses 1999/2000	$ -	$ (8)	$ 86	$ 78	$ 114	$ 49
Excess (deficiency) of revenue over expenses 1998/1999	$ (1)	$ (53)	$ 103	$ 49		

Note 16 Investment and Other Income

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Unrestricted investment income	$ 744	$ 841	$ 637
Other income	297	696	590
	$ 1,041	$ 1,537	$ 1,227

Investment income comprises interest, dividends, amortization of discount and premiums, and net gains on disposal of investments.

Other income comprised charges for laundry services to long term care clients, home care fees, recoveries of supplies from outpatient services, and various miscellaneous services.

Note 17 Administration

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
General administration	$ 3,040	$ 2,961	$ 2,669
Finance	995	916	1,025
Personnel	798	953	805
Administration - contract operators	3,543	3,540	3,409
	$ 8,376	$ 8,370	$ 7,908

Note 18 Information Technology and alberta we//net

	2000		1999
	Budget	Actual	* Actual
	(thousands of dollars)		
alberta we//net	$ -	$ 455	$ 492
Information systems support	1,147	1,262	605
	$ 1,147	$ 1,717	$ 1,097

Note 18 Information Technology and alberta we//net (continued)

alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will provide clinical and administrative deliverables beginning in 1999-2000, or to develop applications to support we//net initiatives. In accordance with generally accepted accounting principles, $58,000 have been capitalized and $455,396 have been expensed.

Note 19 Year 2000

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 20 Support Services

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Building maintenance, operations and security	$ 8,267	$ 7,140	$ 5,952
Education	657	649	660
Housekeeping	2,021	2,163	2,089
Laundry and linen	1,015	1,075	1,042
Materiels management	1,051	1,109	1,048
Patient food services	3,766	3,912	3,689
Patient health records	967	962	953
Patient registration	697	637	642
Patient transportation	995	1,282	989
Support services - contract operators	11,807	11,783	11,328
	$ 31,157	$ 30,712	$ 28,392

Note 21 Changes in Non-Cash Working Capital Accounts

	2000	1999
	(thousands of dollars)	
Accounts receivable	$ (766)	$ 197
Contributions receivable	(111)	3,707
Inventories	(1)	22
Accounts payable	(343)	1,304
Accrued vacation pay	292	270
Deferred contributions	(2,042)	(1,147)
	$ (2,971)	$ 4,353

Note 22 Related Parties

(a) Foundations

The following controlled foundations are not consolidated in these financial statements:

(i) Viking Health Foundation

The Viking Health Foundation was established under the authorization of the Minister of Health on June 27, 1997. Representation on its Board consists of 11 members appointed by the Authority. The Viking Health Foundation was created to solicit funds from the public in order to assist the Authority in achieving its health goals for the residents of the Viking community.

	2000	1999
	(thousands of dollars)	
Total assets	$ 1,693	$ 1,655
Total liabilities	(31)	(19)
Net assets	$ 1,662	$ 1,636
Revenues	$ 171	$ 363
Expenses	(150)	(129)
Excess of revenues over expenses	$ 21	$ 234

The resources of the Foundation amounting to $1,541,000 have been restricted by the donors for the exclusive use of the Viking community.

The Viking Health Foundation prepared financial statements using the restricted fund method.

Note 22 Related Parties (continued)

(a) Foundations (continued)

(ii) Stettler Health Services Foundation

The Stettler Health Services Foundation was established under the authorization of the Minister of Health on June 9, 1998. Representation on its Board consists of 11 members appointed by the Authority. The Stettler Health Services Foundation was created to solicit funds from the public in order to assist the Authority in achieving its health goals for the residents of the Stettler community.

	2000	1999
	(thousands of dollars)	
Total assets	$ 104	$ -
Total liabilities	(32)	-
Net assets	$ 72	$ -
Revenues	$ 24	$ -
Expenses	(53)	-
Excess (deficiency) of revenues over expenses	$ (29)	$ -

The resources of the Foundation amounting to $36,000 have been restricted by the donors for the exclusive use of the Stettler community.

The Stettler Health Services Foundation prepared financial statements using the restricted fund method.

	Contributions Received by the Authority		Resources held by the Foundation	
	Year ended March 31,		At March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
	(thousands of dollars)			
Viking Health Foundation	$ 25	$ 12	$ 4	$ 1,541
Stettler Health Services Foundation	51	-	35	36
	$ 76	$ 12	$ 39	$ 1,577

(b) **Other Foundations**

The Authority has economic interest in the following foundations:

	Contributions Received by the Authority		Resources held by the Foundation	
	Year ended March 31,		At March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
	(thousands of dollars)			
Daysland General Hospital Foundation	$ 12	$ 6	$ -	$ 153
Community Health Foundation (Wainwright)	34	34	-	469
Coronation & District Health Care Complex Foundation	17	17	-	29
Consort Hospital Foundation	9	9		68
	$ 72	$ 66	$ -	$ 719

Contributions include externally restricted amounts for equipment, programs, research, and education for the specific communities supported by the foundations.

The Board of the Authority is permitted to appoint one representative to the Board of directors of each foundation. These foundations were established to solicit funds from the public in order to assist the Authority in achieving its health goals for the residents of each community.

No administrative support was provided to the foundations referred to in (a) and (b) above. Amounts due from the foundations at year-end are as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted:		
Viking Health Foundation	$ 28	$ 10
Stettler Health Services Foundation	32	-
	$ 60	$ 10

Note 22 Related Parties (continued)

(c) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

	2000				1999
	Direct Authority Funding	Approved Patient Fees and Charges	Full Cost Adjustments	Total	Total
Economic interest:					
St Mary's Hospital, Camrose	$ 12,599	$ 340	$ 1,479	$ 14,418	$ 13,722
The Bethany Group, Camrose	12,994	2,801		15,795	15,414
Lloydminster Health District	8,913	1,274	310	10,497	10,101
Sisters of St. Joseph (Killam)	2,546	476	95	3,117	3,029
Our Lady of the Rosary, Castor	2,030	218	233	2,481	2,424
Other providers:					
Laboratory Contracts	1,939			1,939	1,819
Extendicare (Canada) Inc.	1,444	601	183	2,228	2,222
Lloydminster Public School District	24			24	24
Lloydminster Catholic School Division	7			7	7
Lloydminster Early Intervention Program	69			69	69
Wainwright Association for Community Living	32			32	38
City of Lloydminster	5			5	5
	$ 42,602	$ 5,710	$ 2,300	$ 50,612	$ 48,874
Reported in the following expense categories:					
Facility based inpatient acute care services				$ 10,640	$ 10,169
Facility based emergency and outpatient services				1,202	1,131
Facility based continuing care services				13,412	13,123
Community and home based services				1,636	1,615
Diagnostic and therapeutic services				8,297	7,991
Promotion, prevention and protection services				5	5
Administration				3,540	3,409
Support services				11,880	11,431
				$ 50,612	$ 48,874

The Authority has an economic interest in the organizations listed above as they perform significant functions on behalf of the Authority that are integral to the Authority achieving its health goals and objectives.

(d) Province of Alberta

Transactions between the Authority and the Province are disclosed in the statement of operations and notes 6, 7, 13 and 14 to the financial statements.

Note 23 **Trust Funds**

The Authority receives funds in trust from Alberta Infrastructure for non-owned facilities for capital purposes and facility repairs. These amounts are not included in the operations, assets or liabilities reported in these financial statements.

During the year the Authority received $107,584 (1999 - $40,460) and disbursed $117,040 (1999 - $116,484) for capital and facility repairs for non-owned facilities. The balance of funds held by the Authority is $35,155 (1999 - $44,611).

Note 24 **Comparative Figures**

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 25 **Approval of Financial Statements**

These financial statements have been approved by the Authority.

Schedule 1

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

SCHEDULE OF EXPENSES BY OBJECT

FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Salaries, benefits, allowances and severance (Schedule 2)	$ 53,530	$ 54,167	$ 50,368
Contracts with health service operators (Note 22 (c))	50,693	50,612	48,874
Drugs, gases, medical and surgical supplies	1,921	2,276	2,023
Consulting services	1,244	1,537	1,048
Other	19,326	18,369	16,127
Amortization			
Equipment	1,375	1,098	1,033
Facilities and improvements	3,287	3,174	3,260
	131,376	131,233	122,733
Less amounts reported in ancillary operations (Note 15)	(1,004)	(1,048)	(1,101)
	$ 130,372	$ 130,185	$ 121,632

Schedule 2

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999			
					Severance						
	Number of Individuals	Salaries and Honoraria [1]	Benefits and Allowances [2]	Sub-total	Number of Individuals	Amount	Total	Number of Individuals	Salaries, Benefits & Allowances (2,3)	Severance [4]	Total
Authority/Board Compensation											
Chair - E. Andersen	1	16	-	16	-	-	16	1	23	-	23
M. Arnold	1	8	-	8	-	-	8	1	14	-	14
G. Bergman	1	10	-	10	-	-	10	1	12	-	12
R. Crooker	1	8	-	8	-	-	8	1	10	-	10
N. Dennis (commencing October 1998)	1	8	-	8	-	-	8	1	4	-	4
F. Dibben (April 1998 - September 1998)		-	-	-	-	-	-		3	-	3
R. Dueck (commencing October 1998)	1	4	-	4	-	-	4	1	3	-	3
R. Grayston (April 1998 - September 1998)		-	-	-	-	-	-		5	-	5
K. Griffiths (commencing October 1998)	1	7	-	7	-	-	7	1	4	-	4
J. Harris	1	12	-	12	-	-	12	1	15	-	15
L. Hennemann (commencing October 1998)	1	8	-	8	-	-	8	1	3	-	3
J. Hunter	1	6	-	6	-	-	6	1	7	-	7
R. Iverson	1	10	-	10	-	-	10	1	11	-	11
L. Jensen (April 1998 - September 1999)	1	1	-	1	-	-	1	1	4	-	4
L. Johnson	1	8	-	8	-	-	8	1	6	-	6
T. Lyle (April 1998 - September 1998)		-	-	-	-	-	-		1	-	1
S. Monc (April 1998 - September 1998)		-	-	-	-	-	-		4	-	4
D. Sanregret	1	11	-	11	-	-	11	1	11	-	11
M. Schreiber	1	8	-	8	-	-	8	1	9	-	9
Subtotal - Board Members	15	125	-	125	-	-	125	15	149	-	149

Schedule 2 (continued)

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999			
					Severance						
	Number of FTEs [3]	Salaries and Honoraria [1]	Benefits and Allowances [2]	Sub-total	Number of Individuals	Amount	Total	Number of FTEs	Salaries, Benefits & Allowances	Severance [4]	Total
Staff											
Chief Executive Officer	1.0	137	16	153	-	-	153	0.9	123	-	123
Management persons reporting to the CEO											
Vice President - Health Services	1.0	106	15	121	-	-	121	0.4	48	-	48
Vice President - Corporate Services	0.4	43	6	49	-	-	49	1.0	118	-	118
Vice President - Medical Services	0.5	88	11	99	-	-	99	0.5	97	-	97
Regional Manager - Communications	0.8	62	-	62	-	-	62	0.9	61	-	61
Regional Director - Corporate Services	1.1	96	12	108	-	-	108	-	-	-	-
Regional Director - Human Resources	1.0	86	12	98	-	-	98	-	-	-	-
Chief Financial Officer	1.0	95	13	108	-	-	108	-	-	-	-
Other management persons reporting to those above											
(avg. 2000 $99, avg. 1999 $93 excluding severance)	16.4	1,163	166	1,329	-	-	1,329	10.4	967	-	967
Other management											
(avg. 2000 $72, avg. 1999 $70 excluding severance)	51.5	3,312	450	3,762	-	-	3,762	60.3	4,212	2	4,214
Regulated nurses not included above											
(avg. 2000 $50, avg. 1999 $48 excluding severance)	403.3	17,491	2,530	20,021	-	-	20,021	387.8	18,634	5	18,639
Other health technical and professionals											
(avg. 2000 $47, avg. 1999 $47 excluding severance)	169.8	6,930	990	7,920	1	1	7,921	154.8	7,209	5	7,214
Unregulated health service providers											
(avg. 2000 $28, avg. 1999 $27 excluding severance)	271.7	6,565	942	7,507	-	-	7,507	256.6	6,926	-	6,926
Other staff											
(avg. 2000 $32, avg. 1999 $31 excluding severance)	400.5	11,053	1,766	12,819	-	-	12,819	377.8	11,812	-	11,812
Pension obligation adjustment	-	-	(115)	(115)	-	-	(115)		-	-	-
Subtotal - Staff	1,320.0	47,227	6,814	54,041	1	1	54,042	1,251.4	50,207	12	50,219
Total		$ 47,352	$ 6,814	$ 54,166		$ 1	$ 54,167		$ 50,356	$ 12	$ 50,368

Schedule 2 (continued)

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

SCHEDULE OF SALARIES, HONORARIA BENEFITS, ALLOWANCES AND SEVERANCE

FOR THE YEAR ENDED MARCH 31, 2000

(1) Full time equivalent (FTE) has been determined as follows:

- (a) For those employees governed by the AUPE Community Health Services collective agreement a FTE is defined as 1,827 hours per annum.
- (b) For those employees governed by the UNA collective agreement, a FTE is defined as 1,922 hours per annum.
- (c) For all other employees a FTE is defined as 2,023 hours per annum.

Total actual discrete number of individuals employed: 1,898 (1999 - 1,814).

(2) Salaries includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances included the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, employment insurance, workers compensation, car benefits and allowances and tuition.

(4) Severance includes:

All monies paid directly or on behalf of an employee upon termination which are not or have not been included in salaries and benefits; and forgiveness of debt; continued payment for Authority/Board share of benefits identified in 3 above, that will continue to be paid and outplacement training and counseling, office space and administrative support.

Schedule 3

EAST CENTRAL REGIONAL HEALTH AUTHORITY 7

THREE YEAR SUMMARY OF REVENUE AND EXPENSES

FOR THE PERIOD COMMENCING APRIL 1, 1997

(thousands of dollars)

	2000	1999	1998
Revenues			
Alberta Health contributions	$ 110,958	$ 100,644	$ 95,518
Other government contributions	4,883	3,911	3,768
Fees and charges	11,222	11,195	11,192
Ancillary operations, net	78	49	106
Donations	310	164	126
Investment and other income	1,537	1,227	943
Amortization of external capital contributions,			
health operations	3,826	4,040	4,368
	132,814	121,230	116,021
Expenses			
Facility based inpatient acute care services	22,801	21,719	20,951
Facility based emergency and outpatient services	3,334	3,158	2,926
Facility based continuing care services	24,848	23,950	23,028
Community and home based services	12,925	11,108	10,514
Diagnostic and therapeutic services	18,100	17,321	16,526
Promotion, prevention and protection services	2,797	2,685	2,344
Research and education	65	58	87
Administration	8,370	7,908	7,867
Information technology and wellnet	1,717	1,097	835
Year 2000 remedial costs	1,364	961	-
Support services	30,712	28,392	27,046
Amortization of facilities and improvements	3,152	3,275	3,287
	130,185	121,632	115,411
Excess (deficiency) of revenues over expenses	$ 2,629	$ (402)	$ 610

A pro-forma summary of revenues and expenses is not presented as there have been no transfers of programs or boundary changes for which pro-forma adjustments are necessary

WestView Regional Health Authority

Financial Statements

March 31, 2000

WESTVIEW REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Management's Responsibility for Financial Reporting

Statement of Financial Position

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Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 - Three Year Summary of Revenues and Expenses

AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the WestView Regional Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the WestView Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

WESTVIEW REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in conformity with Canadian generally accepted accounting principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Board meets with management, and the Auditor General to discuss and review financial matters, and approves the statements. The Auditor General has full and free access to the Board.

The Auditor General provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allow him to report on the fairness of the financial statements prepared by management.

Larry Smook
Chief Executive Officer
June 28, 2000

L. Michael Prymych
Regional Manager, Financial Services

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 3)	$ 7,657	$ 1,901
Accounts receivable	601	485
Contributions receivable (Note 4)	1,423	1,453
Inventories	585	466
Prepaid expenses	670	74
	10,936	4,379
Non-current cash and investments (Note 3)	995	2,296
Capital assets (Note 5)	39,136	27,165
TOTAL ASSETS	$ 51,067	$ 33,840
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 4,889	$ 3,710
Accrued vacation pay	1,707	1,500
Due to Alberta Health and Wellness (Note 4)	-	2,800
Deferred contributions (Note 7)	1,123	1,285
Current portion of long-term debt (Note 9)	17	22
	7,736	9,317
Deferred capital contributions (Note 8)	995	2,296
Long-term debt (Note 9)	11	213
Pension plan obligation (Note 10)	72	149
Unamortized external capital contributions (Note 11)	35,106	22,955
	36,184	25,613
Net assets:		
Unrestricted (Note 12)	3,145	(5,065)
Investment in capital assets	4,002	3,975
Operating net assets	7,147	(1,090)
TOTAL LIABILITIES AND NET ASSETS	$ 51,067	$ 33,840

The accompanying notes and schedules are part of these financial statements.

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2000
(thousands of dollars)

	2000				1999
	Unrestricted (Note 12)	Internally Restricted	Investment in Capital Assets	Total	Total
Excess of revenues over expenses	$ 8,237	$ -	$ -	$ 8,237	$ 422
Capital assets purchased with internal funds	(389)	-	389	-	-
Amortization on internally funded capital assets	569	-	(569)	-	-
Repayment of long-term debt used to fund capital assets	(207)	-	207	-	-
Net change to unrestricted net assets	8,210				
Balance at beginning of year	(5,065)	-	3,975	(1,090)	(1,512)
Balance at end of year	$ 3,145	$ -	$ 4,002	$ 7,147	$ (1,090)

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 14)	Actual	Actual
Revenues			
Alberta Health and Wellness contributions (Note 15)	$ 49,769	$ 50,098	$ 38,445
Other government contributions (Note 16)	1,092	1,032	523
Fees and charges	3,699	3,993	3,851
Ancillary operations, net (Note 17)	(39)	(155)	(162)
Donations	10	118	-
Investment and other income (Note 18)	10	471	231
Amortization of external capital contributions (Note 11)	1,470	1,196	1,233
TOTAL REVENUE	56,011	56,753	44,121
Expenses (Schedule 1)			
Facility based inpatient services	6,176	6,095	5,671
Facility based emergency and outpatient services	3,198	3,451	3,116
Facility based continuing care services	5,185	3,692	3,454
Community and home based services	5,323	5,355	4,966
Diagnostic and therapeutic services	8,483	8,300	8,095
Promotion, prevention and protection services	3,994	4,062	3,422
Research and education	13	-	15
Administration (Note 19)	3,333	3,257	3,069
Information technology and we//net (Note 20)	586	875	132
Year 2000 remedial costs (Note 21)	206	394	273
Support services (Note 22)	11,328	12,180	10,631
Amortization of facilities and improvements	1,080	855	855
TOTAL EXPENSES	48,905	48,516	43,699
Excess of revenues over expenses	$ 7,106	$ 8,237	$ 422

The accompanying notes and schedules are part of these financial statements.

WESTVIEW REGIONAL HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities			
Excess of revenues over expenses	$ 7,106	$ 8,237	$ 422
Non-cash transactions:			
Decrease in unfunded pension obligations	-	(77)	(13)
Amortization of capital equipment - internally funded	452	569	515
Amortization of capital equipment - externally funded	390	321	358
Amortization of facilities and improvements	1,080	875	875
Amortization of external capital contributions	(1,470)	(1,196)	(1,233)
Gain on disposal of capital equipment	-	(12)	(11)
	7,558	8,717	913
Change in non-cash working capital account (Note 23)	-	(2,377)	3,618
Cash generated by operating activities	7,558	6,340	4,531
Investing activities:			
Purchase of capital assets:			
internally funded	(452)	(389)	(480)
externally funded (Note 11)			
capital equipment	(1,165)	(723)	(158)
facilities and improvements	(12,300)	(12,624)	(2,747)
Proceeds on disposal of capital equipment	-	12	11
Allocations from (to) non-current cash	777	1,301	(808)
Cash used by investing activities	(13,140)	(12,423)	(4,182)
Financing activities:			
Capital contributions received (Note 8)	12,688	12,194	4,184
Capital contributions reallocated to operating activities	-	(148)	(471)
Principal payments on long-term debt	(23)	(207)	(20)
Cash generated by financing activities	12,665	11,839	3,693
Increase in cash and temporary investments	7,083	5,756	4,042
Cash and temporary investments, beginning of year	1,189	1,901	(2,141)
Cash and temporary investments, end of year	$ 8,272	$ 7,657	$ 1,901

The accompanying notes and schedules are part of these financial statements.

WESTVIEW REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000
(thousand of dollars)

Note 1 Authority, Purpose and Operations

The Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

- Devon General Hospital
- Stony Plain Municipal Hospital
- Edson and District Healthcare Centre
- Hinton General Hospital
- Seton General Hospital
- Devon Health Unit
- Stony Plain Health Unit
- Jasper Health Unit
- Hinton Health Unit
- Evansburg Health Unit
- Spruce Grove Health Unit
- Edson Health Unit

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 24.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year becoming receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services is recorded. The fair value transactions recorded consist of the following:

(i) Revenues earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Full cost (continued)

(ii) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based on the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

The pension expense included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plans' total unfunded liability to participating employers.

(d) Investments

Temporary investments are recorded at the lower of cost and market.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(e) Financial Instruments

The carrying value of accounts receivable, bank overdraft, bank loans, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

The carrying value of long-term debt and obligations under capital leases approximates their fair value because the interest rates approximate market values.

(f) Inventories

Inventories are valued at the lower of cost or net realizable value.

(g) Capital Assets

Capital assets and construction projects in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight line basis as follows:

	Useful Life
Buildings and improvements	40 years
Land improvements	20 years
Building service equipment	20 years
Vehicles and equipment	5-20 years

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(h) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If actual costs are unknown at the time of the decision, then an estimate is recorded.

Note 3 Cash, Non-current Cash and Investments

	2000	1999
	(thousands of dollars)	
Cash	$ 8,502	$ 4,051
Guaranteed investment certificates	150	146
	$ 8,652	$ 4,197
Allocated as follows:		
Cash and temporary investments	$ 7,657	$ 1,901
Non-current cash and investments	995	2,296
	$ 8,652	$ 4,197

Guaranteed investment certificates maturing on April 7, 2000 are guaranteed by the Canada Deposit Insurance Corporation and bear interest at 3.25% paid annually.

Non-current cash and investments represent funds externally restricted for capital acquisitions.

Note 4 Contributions Receivable / Due to Alberta Health and Wellness

	2000	1999
	(thousands of dollars)	
Due from Alberta Health and Wellness		
Debt retirement	$ -	$ 1,357
Aboriginal health	37	43
Year 2000 secretariat fees	(25)	53
Inter-hospital ambulance	140	-
Broda's report- long term care	16	-
Meningitis vaccination costs	5	-
Import/export funding	1,250	-
	$ 1,423	$ 1,453
Due to Alberta Health and Wellness		
Funding advance	$ -	$ 2,800
	$ -	$ 2,800

Note 5 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Land	$ 1,363	$ -	$ 1,363	$ 1,363
Land improvements	773	684	89	110
Buildings and improvements	31,363	12,921	18,442	19,239
Building service equipment	1,139	560	579	636
Vehicles and equipment (a)	13,487	10,252	3,235	3,012
Construction in progress	15,428	-	15,428	2,805
	$ 63,553	$ 24,417	$ 39,136	$ 27,165

(a) Leased Equipment

Included in the equipment are items acquired through capital leases at a cost of $34 (1999 - $34) with accumulated amortization of $28 (1999 - $21).

(b) Asset Funding Sources

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$ 35,106	$ 22,955
Internally funded (invested in capital assets)	4,002	3,975
Long-term debt	28	235
	$ 39,136	$ 27,165

Note 6 Bank Indebtedness

The Authority has an operating line of credit to a maximum of $3 million. A general security agreement covering accounts receivable and specific equipment has been pledged as security for the operating line of credit. Interest is charged at bank prime. At year end the operating line of credit has not been drawn upon.

Note 7 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received (refunded):		
Year 2000 planning	$ (41)	$ -
Other government contributions	1,236	809
Donations	(31)	180
Patient fees & charges received in advance	1	13
Amounts recognized as revenue:		
Year 2000 planning (Note 15)	(394)	(273)
Other Alberta Health and Wellness contributions (Note 15)	-	(262)
Other government contributions (Note 16)	(963)	(454)
Donations	(118)	-
Amounts transferred (to) from deferred capital contributions (Note 8)		
Year 2000 planning	195	513
Donations	(47)	(42)
Change during the year	(162)	484
Balance, beginning of year	1,285	801
Balance, end of year	$ 1,123	$ 1,285

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Other Government Programs		
Alberta Infrastructure	$ 712	$ 361
Healthy Families Project	118	153
Other	18	61
	848	575
Donations	257	453
Patient fees and charges received in advance	18	17
Year 2000 planning	-	240
	$ 1,123	$ 1,285

Note 8 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(a).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness		
Year 2000 equipment replacement	$ (3)	$ 20
Healthy Aging Partnership initiatives	549	-
High priority medical equipment	120	-
Restricted other government contributions	11,528	4,164
	12,194	4,184
Transferred from (to):		
Unamortized external capital contributions (Note 11)		
Year 2000 equipment replacement	(616)	(117)
Other	(12,731)	(2,788)
Deferred contributions (Note 7)		
Year 2000 equipment planning	(195)	(513)
Donations	47	42
	(13,495)	(3,376)
Change during the year	(1,301)	808
Balance, beginning of year	2,296	1,488
Balance, end of year	$ 995	$ 2,296

Balance at end of year is restricted for the following puposes:	2000	1999
Year 2000 equipment replacement	$ -	$ 814
Equipment - Lottery funding	9	60
Healthy Aging Partnership initiatives	549	-
High priority medical equipment	120	-
Capital upgrading projects - Alberta Infrastucture	159	327
WestView Health Centre, Stony Plain - construction	158	1,095
	$ 995	$ 2,296

Note 9 Long-term Debt

	2000	1999
	(thousands of dollars)	
Mortgage	$ -	$ 202
Equipment purchase contract [a]	21	21
Capital lease [b]	7	12
	28	235
Less current portion	17	22
Long-term portion	$ 11	$ 213

[a] Under the terms of the contract, $5,000 is payable annually for five years with a final payment of $6,000 in 2003.

[b] The capital lease expires in 2001. The implicit interest rate payable on this lease is 9.40%.

	Equipment Purchase Contract	Capital Lease	Total
Future payments:			
For the year ended March 31:			
2001	$ 10	$ 7	$ 17
2002	5	-	5
2003	6	-	6
	21	7	28
Less estimated interest	-	-	-
	$ 21	$ 7	$ 28

Note 10 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

Note 10 Pension Plan Obligation (continued)

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan relating was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on the same actuarial valuation as at December 31, 1997, extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the total unfunded liability amount for each plan which will be funded by employers.

In January 2000, certain staff who participated in the Public Service Pension Plan were transferred to the Local Authority Pension Plan. This transfer has resulted in a decrease in the Public Service Pension Plan obligation and an increase in the Local Authority Pension Plan obligation.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 53	$ 41
Public Service Pension Plan	19	108
	$ 72	$ 149

Note 11 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(a). The balance at end of year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	$ 22,955	$ 21,283
Add amounts transferred from deferred capital contributions (Note 8)	13,347	2,905
Less amounts recognized as revenue	(1,196)	(1,233)
	$ 35,106	$ 22,955

Note 12 Unrestricted and internally restricted net assets

Balance of the unrestricted and internally restricted net assets can be analysed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ (2,261)	$ (2,261)
Changes since regionalization:		
Cumulative operating surplus (deficit)	5,376	(2,861)
Invested in capital assets (net of amortization)	284	104
Repayment of long-term debt	(254)	(47)
Balance	$ 3,145	$ (5,065)
Unrestricted	$ 3,145	$ (5,065)
Internally restricted	-	-
	$ 3,145	$ (5,065)

Note 13 Commitments

The Authority is committed to the following future annual payments:

	Capital Construction Contracts (1)	Operating Leases	Contracted Services
	(thousands of dollars)		
2001	$ 6,979	$ 142	$ 6,694
2002	-	13	5,824
2003	-	-	3,758
2004	-	-	3,758
2005	-	-	3,758

(1) The capital construction contracts amount is funded by Alberta Infrastructure.

Note 14 Budget (thousands of dollars)

	Approved Budget (1)	Additional Funding (2)	Reclass (3)	Reported Budget
Revenue:				
Alberta Health and Wellness contributions	$ 42,663	$ 7,106	-	$ 49,769
Other government contributions	1,092	-	-	1,092
Fees and charges	3,699	-	-	3,699
Net ancillary operations	(39)	-	-	(39)
Donations	10	-	-	10
Investment and other revenue	10	-	-	10
Amortization of deferred capital contributions	1,470	-	-	1,470
	48,905	7,106	-	56,011
Expenses:				
Facility based inpatient services	6,176	-	-	6,176
Facility based emergency and outpatient services	3,198	-	-	3,198
Facility based continuing care services	8,254	-	(3,069)	5,185
Community and home based services	5,323	-	-	5,323
Diagnostic and therapeutic services	8,186	-	297	8,483
Promotion, prevention and protection services	3,994	-	-	3,994
Research and education	13	-	-	13
Administration	3,445	-	(112)	3,333
Information technology and wellnet	-	-	586	586
Year 2000 remedial costs	-	-	206	206
Support services	9,236	-	2,092	11,328
Amortization of facilities and improvements	1,080	-	-	1,080
	48,905	-	-	48,905
Excess of revenues over expenses	$ -	$ 7,106	$ -	$ 7,106

1) The budget was approved by the WestView Regional Health Authority Board on April 28, 1999 and submitted to the Minister of Health and Wellness for approval.

2) The Minister of Health and Wellness provided additional funding

3) Reclassifications have been made to conform with the 2000 presentation of expenditures.

Note 15 Alberta Health and Wellness Contributions

	Budget	2000	1999
	(thousands of dollars)		
Import/export funding	$ 1,250	$ 1,250	$ -
Deficit elimination & per capita one time funding	8,594	8,594	1,357
Other unrestricted contributions	39,774	39,860	36,553
Year 2000 planning (Note 7)	151	394	273
Transfers from deferred contributions (Note 7)	-	-	262
	$ 49,769	$ 50,098	$ 38,445

Note 16 Other Government Contributions

	Budget	2000	1999
	(thousands of dollars)		
Alberta Infrastructure	$ 400	$ 441	$ 150
Alberta Mental Health Board	217	209	178
Government of Canada	339	253	56
Alberta Cancer Board	24	21	44
Other provincial funding	43	39	26
	1,023	963	454
Fair value of rent less rent charges for non-acute care facilities used by the Authority	69	69	69
	$ 1,092	$ 1,032	$ 523

Note 17 Ancillary Operations

	2000					1999
	Non-Patient Food Services Operations	Rentals	Other	Total	Budget	Total
Revenues						
Revenues	$ 246	$ 159	$ 60	$ 465	$ 446	$ 421
Expenses						
Amortization	-	20	-	20	20	21
Other expenses	437	112	51	600	465	562
	437	132	51	620	485	583
Excess (deficiency) of revenues over direct expenses 1999-2000	$ (191)	$ 27	$ 9	$ (155)	$ (39)	$ (162)
Excess (deficiency) of revenues over direct expenses 1998-99	$ (199)	$ 32	$ 5			$ (162)

Note 18 Investment and Other Income

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted investment income	$ 10	$ 219	$ 25
Other income	-	252	206
	$ 10	$ 471	$ 231

Investment income is comprised of interest. Other income is comprised of cost recoveries from patients.

Note 19 Administration

	Budget	2000	1999
	(thousands of dollars)		
General administration	$ 1,623	$ 1,493	$ 1,444
Finance	682	763	673
Human resources	554	528	481
Administration - contract operators	474	473	471
	$ 3,333	$ 3,257	$ 3,069

Note 20 Information technology and we//net

	Budget	2000	1999
	(thousands of dollars)		
Alberta we//net	$ 192	$ 192	$ -
Information systems support	394	683	132
	$ 586	$ 875	$ 132

Alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. Alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000 or to develop applications to support we//net initiatives. In accordance with Canadian generally accepted accounting principals, $192 has been expensed.

Note 21 Year 2000 issue

The year 2000 issue arises because many computer systems using two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using the year 2000 is processed. In addition, similar problems may arise in some systems which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Authority, including those related to supplier and other third parties, have been fully resolved.

Note 22 Support Services

	Budget	2000	1999
	(thousands of dollars)		
Building maintenance, operations and security	$ 2,484	$ 2,745	$ 2,158
Communications	510	644	543
Education	431	333	328
Housekeeping	1,032	1,053	940
Laundry and linen	400	435	369
Materials management	875	986	827
Patient food services	1,170	1,312	1,165
Patient health records	916	848	804
Patient registration	353	415	325
Patient transportation	670	930	707
Volunteer services	189	186	182
Support service - contract operators	2,298	2,293	2,283
	$ 11,328	$ 12,180	$ 10,631

Note 23 Change in Non-Cash Working Capital

	2000	1999
	(thousands of dollars)	
Accounts receivable	$ (116)	$ 169
Contributions receivable	30	(1,453)
Inventories	(119)	(29)
Prepaid expenses	(596)	(29)
Accounts payable	1,179	1,428
Accrued vacation pay	207	248
Due to Alberta Health	(2,800)	2,800
Deferred contributions	(162)	484
	$ (2,377)	$ 3,618

Note 24 Related Parties

(a) Provincial Government

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the statement of operations and notes 15 and 16 to the financial statements.

(b) Foundations

The Authority has an economic interest in the following foundations with one representative on each of their Board of Directors. The foundations raise funds to benefit the Authority and other health related entities and are registered charities under the Income Tax Act. Information on the foundations is as follows:

	Contribution Received by Health Authority		Resources held by Foundation	
	Year ended March 31,		at March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
	(thousands of dollars)			
Devon General Hospital Foundation	$ 16	$ 24	$ -	$ 202
Stony Plain Hospital Foundation	6	44	139	75
Hinton Health Care Foundation	9	13	123	33
Jasper Health Care Foundation	-	-	-	150
	$ 31	$ 81	$ 262	$ 460

Externally restricted amounts are for equipment, programs, research and education for the specific hospitals and continuing care facilities supported by the individual foundation.

The value of administrative support provided to foundations, and the accounts receivable from the foundations at year end are as follows:

	Administrative Support		Accounts Receivable	
	Year ended March 31,		At March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
	(thousands of dollars)			
Devon General Hospital Foundation	$ 1	$ 1	$ -	$ -
Stony Plain Hospital Foundation	1	1	-	-
Hinton Health Care Foundation	1	1	-	-
Jasper Health Care Foundation	-	-	-	-
	$ 3	$ 3	$ -	$ -

Note 24 Related Parties (continued)

(c) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

	2000			1999
	Direct Authority Funding	Approved Patient Fees and Charges	Total	Total
	(thousands of dollars)			
Economic interest				
Good Samaritan Society:				
Stony Plain Care Centre	$ 2,260	$ 824	$ 3,084	$ 3,072
George Hennig Place	669	338	1,007	1,000
Spruce Grove Place	675	338	1,013	966
Dynacare Kasper Medical Laboratories	1,896	-	1,896	1,863
Physical therapy services	669	-	669	668
Group homes	215	-	215	195
Home parenteral nutrition services	120	-	120	99
Audiology services	49	-	49	34
Other	12	-	12	-
	$ 6,565	$ 1,500	$ 8,065	$ 7,897
Reported in the following expense categories:				
Facility based continuing care services			$ 2,052	$ 1,989
Community and home based services			335	294
Diagnostic and therapeutic services			2,912	2,860
Administration			473	471
Support services			2,293	2,283
			$ 8,065	$ 7,897

Note 25 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 26 Approval of Financial Statements

These financial statements have been approved by the Authority.

Schedule 1

WESTVIEW REGIONAL HEALTH AUTHORITY

SCHEDULE OF EXPENSES BY OBJECT

FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	$ 27,040	$ 26,990	$ 24,151
Contracts with health service operators (Note 24 (c))	8,134	8,065	7,897
Drugs, gases, medical and surgical supplies	1,820	1,813	1,716
Consulting services	1,330	1,332	940
Interest on long-term debt	12	12	15
Other	9,132	9,159	7,815
Amortization:			
Capital equipment - internally funded	452	569	515
Capital equipment - externally funded	390	321	358
Facilities and improvements	1,080	875	875
	49,390	49,136	44,282
Less amounts reported in ancillary operations (Note 17)	485	620	583
	$ 48,905	$ 48,516	$ 43,699

WESTVIEW REGIONAL HEALTH AUTHORITY

SCHEDULE OF SALARIES, HONORARIA, BENEFITS AND SERVERANCE

FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000				Severance			1999			
	Number of Individuals (1)	Salaries & Honoraria (2)	Benefits & Allowances (3)	Sub-Total	Number of Individuals (1)	Amount (4)	Total	Number of Individuals (1)	Salaries Honorarium (2) & Benefits (3)	Severance (4)	Total
RHA Chairperson											
Peter Woloshyn	1.00	$ 11	$ -	$ 11	-	$ -	$ 11	1.00	$ 15	$ -	$ 15
Members											
Lynda Allan	1.00	3	-	3	-	-	3	1.00	10	-	10
Betty Brown	1.00	7	-	7	-	-	7	1.00	7	-	7
Clifton Crawford	-	-	-	-	-	-	-	1.00	-	-	-
Bonnie Gregorwich	1.00	8	-	8	-	-	8	1.00	9	-	9
Barry Hawkins	1.00	6	-	6	-	-	6	1.00	6	-	6
James Henderson	1.00	0	-	0	-	-	-	1.00	8	-	8
Werner Jappsen	1.00	9	-	9	-	-	9	1.00	10	-	10
Locksley McGann	1.00	6	-	6	-	-	6	1.00	6	-	6
Ron Pollock	1.00	10	-	10	-	-	10	1.00	10	-	10
Marie Rushton	1.00	9	-	9	-	-	9	1.00	12	-	12
Patrick Wilson	1.00	7	-	7	-	-	7	1.00	8	-	8
Tonia Bills	1.00	2	-	2	-	-	2	-	-	-	0
Bruce Deal	1.00	2	-	2	-	-	2	-	-	-	0
Total honoraria	13.00	80	-	80	-	-	80	12.00	101	-	101
Staff											
Chief Executive Officer	1.00	109	14	123	-	-	123	1.00	123	-	123
Management Reporting to CEO:											
Director, Health Services	1.00	91	12	103	-	-	103	1.00	97	-	97
Director, Corporate Services	1.00	87	12	99	-	-	99	1.00	95	-	95
Medical Director	0.50	131	-	131	-	-	131	0.50	92	-	92
Medical Officer of Health	0.96	105	13	118	-	-	118	0.98	120	-	120
Dental Officer of Health	0.09	12	-	12	-	-	12	0.20	4	-	4
Other Management person(s) reporting to those above (avg. 2000 $79, avg. 1999 $76) (excluding Severance)	10.00	696	92	788	-	-	788	9.59	732	-	732
Regulated Nurses not included above (avg. 2000 $52, avg. 1999 $49) (excluding Severance)	188.62	8,745	1,094	9,839	3.00	94	9,933	181.96	8,996	-	8,996
Other health technical and professionals (avg. 2000 $53, avg 1999 $52) (excluding Severance)	86.72	4,102	534	4,636	-	-	4,636	82.49	4,305	-	4,305
Unregulated health service providers (avg. 2000 $29, avg 1999 $28) (excluding Severance)	69.94	1,776	215	1,991	-	-	1,991	62.00	1,724	-	1,724
Other Staff (avg. 2000 $35, avg. 1999 $34)	254.01	7,843	1,149	8,992	3.00	61	9,053	232.00	7,775	-	7,775
Pension obligation adjustment	-	-	(77)	(77)	-	-	(77)	-	(13)	-	(13)
	613.84	23,697	3,058	26,755	6.00	155	26,910	572.73	24,050	-	24,050
Total	626.84	$ 23,777	$ 3,058	$ 26,835	6.00	$ 155	$ 26,990	584.73	$ 24,151	$ -	$ 24,151

Schedule 2 (continued)

WESTVIEW REGIONAL HEALTH AUTHORITY

SCHEDULE OF SALARIES, BENEFITS, ALLOWANCES AND SEVERANCES

FOR THE YEAR ENDED MARCH 31, 2000

(1) Full time equivalent (FTE) has been determined as follows:

- Management FTE calculation is based on 2022.75 annual hours.
- Regulated nurses FTE calculation is based on 1920.25 or 1827.00 annual hours dependent on the employment contract the employee is a part of.
- Other health technical and professional FTE calculation is based on 1827.00 or 2022.75 annual hours dependent on the employment contract the employee is a part of.
- Unregulated health service providers FTE calculation is based on 1827.00 or 2022.75 annual hours dependent on the employment contract the employee is a part of.
- Other staff FTE calculation is based on 1827.00 or 2022.75 annual hours dependent on the employment contract the employee is a part of.

Total actual discrete number of individuals employed: 2000 - 1027 (1999 - 963).

(2) Salaries includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances included the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

(4) Severance includes:

All monies paid directly or on behalf of an employee upon termination which are not or have not been included in salaries and benefits; and forgiveness of debt.

(5) The total amount is reported in the following schedules:

(thousands of dollars)	
Schedule 1 - Expenses by Object	$26,990

Schedule 3

WESTVIEW REGIONAL HEALTH AUTHORITY

SUMMARY OF REVENUES AND EXPENSES

FOR THE PERIOD COMMENCING APRIL 1, 1997

(thousands of dollars)

	Actual			Pro-forma		
	2000	1999	1998	2000	1999	1998
Revenues:						
Alberta Health and Wellness contributions	$ 50,098	$ 38,445	$ 34,332	$ 50,098	$ 38,445	$ 34,332
Other government contributions	1,032	523	675	1,032	523	675
Fees and charges	3,993	3,851	3,083	3,993	3,851	3,083
Ancillary operations, net	(155)	(162)	(147)	(155)	(162)	(147)
Donations	118	-	41	118	-	41
Investment and other income	471	231	237	471	231	237
Amortization of external capital contributions	1,196	1,233	1,457	1,196	1,233	1,457
	56,753	44,121	39,678	56,753	44,121	39,678
Expenses:						
Facility based inpatient acute services	6,095	5,671	5,414	6,095	5,671	5,414
Facility based emergency and outpatient services	3,451	3,116	2,702	3,451	3,116	2,702
Facility based continuing care services	3,692	3,454	3,021	3,692	3,454	3,021
Community and home based services	5,355	4,966	4,300	5,355	4,966	4,300
Diagnostic and therapeutic services	8,300	8,095	7,543	8,300	8,095	7,543
Promotion, prevention and protection services	4,062	3,422	2,885	4,062	3,422	2,885
Research and education	-	15	11	-	15	11
Administration	3,257	3,069	2,691	3,257	3,069	2,691
Information technology and wellnet	875	132	221	875	132	221
Year 2000 remedial costs	394	273	-	394	273	-
Support services	12,180	10,631	9,406	12,180	10,631	9,406
Amortization of facilities and improvements	855	855	1,049	855	855	1,049
	48,516	43,699	39,243	48,516	43,699	39,243
Excess of revenues over expenses	$ 8,237	$ 422	$ 435	$ 8,237	$ 422	$ 435

The Authority has not had any new programs transferred to its responsibility in the last three years.

Crossroads Regional
Health Authority #9
Financial Statements
March 31, 2000

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Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

Auditors' Report

To the Members of the Crossroads Regional Health Authority
And the Minister of Health

We have audited the statement of financial position of the Crossroads Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Further, we have made an examination to determine if the Authority has complied with Financial Directive 16 issued by Alberta Health. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances. In our opinion, the Authority has, in all significant respects, complied with Financial Directive 16.

Wetaskiwin, Alberta
June 7, 2000

Grant Thornton LLP.
Chartered Accountants

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Crossroads Regional Health Authority #9

Regional Office
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The accompanying financial statements are the responsibility of management and have been approved by the Authority's Board. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgement.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Finance Committee. This Committee meets with management and the external auditor, Grant Thornton LLP to discuss and review financial matters, and recommends the financial statements to the Crossroads Health Authority Board for approval. The external auditor has full and free access to the Board.

The external auditor Grant Thornton LLP, provides an independent audit of the financial statements. Their examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Chief Executive Officer

Chief Operating Officer

Crossroads Regional Health Authority #9
Statement of Financial Position

(in thousands of dollars)

March 31	2000	1999
Assets		
Current		
Cash and temporary investments (Note 3)	$ 6,241	$ 6,336
Accounts receivable (Note 4)	1,060	510
Inventories (Note 5)	1,238	577
Prepaid expenses	254	72
	8,793	7,495
Capital assets (Note 6)	39,993	41,213
Other assets (Note 7)	362	389
Total assets	$ 49,148	$ 49,097
Liabilities		
Current		
Accounts payable (Note 8)	$ 5,210	$ 5,028
Accrued vacation pay	1,877	1,842
Obligation under capital lease		97
Deferred contributions (Note 9)	1,279	604
	8,366	7,571
Deferred capital contributions (Note 10)	159	902
Obligation under capital lease		352
Pension plan obligations (Note 11)	98	126
Unamortized external capital contributions (Note 12)	37,194	38,434
	45,817	47,385
Net assets		
Unrestricted (Note 13)	132	(618)
Internally restricted (Note 14)	400	
Invested in capital assets	2,799	2,330
Operating net assets	3,331	1,712
Total liabilities and net assets	$ 49,148	$ 49,097

Contingency and Commitments (Note 15 and 16)

On behalf of the Authority

Chairman

Board Member

See the accompanying notes to the financial statements

Crossroads Regional Health Authority #9
Statement of Operations

(in thousands of dollars)

For the year ended March 31, 2000

	2000		1999
	Budget (Note 17)	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 18)	$ 37,508	$ 38,149	$ 32,996
Other government contributions (Note 19)	250	1,251	260
Fees and charges	2,386	2,339	2,326
Ancillary operations, net (Note 20)	(74)	(108)	(82)
Donations	75	122	72
Investment and other income (Note 21)	325	277	358
Amortization of external capital contributions (Note 12)	2,376	2,543	2,378
	42,846	44,573	38,308
Expenses (Schedule 1)			
Facility based inpatient acute services	7,892	8,250	8,033
Facility based emergency and outpatient services	2,521	2,709	2,351
Facility based continuing care services	4,242	4,433	4,160
Community and home based services	1,689	1,749	1,602
Diagnostic and therapeutic services	7,271	7,304	6,866
Promotion, prevention and protection services	2,078	2,039	1,848
Administration (Note 22)	2,476	2,814	2,665
Information technology and we/net (Note 23)	1,702	1,600	1,375
Y2K remedial costs (Note 24)		439	154
Support services (Note 25)	8,499	9,667	8,463
Amortization of facilities and improvements	2,212	1,950	2,026
	40,582	42,954	39,543
Excess (deficiency) of revenues over expenses before extraordinary item	2,264	1,619	(1,235)
Extraordinary item			(242)
Excess (deficiency) of revenue over expenses	$ 2,264	$ 1,619	$ (1,477)

See the accompanying notes to the financial statements

Crossroads Regional Health Authority #9
Statement of Changes in Net Assets

(in thousands of dollars)
For the year ended March 31, 2000

	2000				1999
	Unrestricted	Internally Restricted	Invested in Capital Assets	**Total**	Total
Excess (deficiency) of revenue over expense	$ 1,619	$	$	**$ 1,619**	$ (1,477)
Capital assets purchased with internal funds	(736)		736		
Amortization on internally funded capital assets	267		(267)		
Net change to unrestricted net assets	1,150		469	**1,619**	(1,477)
Transfer to internally restricted	(400)	400			
Balance at beginning of year	(618)		2,330	**1,712**	3,189
Balance at end of year	$ 132	$ 400	$ 2,799	**$ 3,331**	$ 1,712

See the accompanying notes to the financial statements

Crossroads Regional Health Authority #9
Statement of Cash Flows

(in thousands of dollars)
Year ended March 31, 2000

	2000		1999
Cash generated from (used by):	Budget	**Actual**	Actual
Operating activities			
Excess (deficiency) of revenues over expenses	$ 2,264	**$ 1,619**	$ (1,477)
Non-cash transactions			
Decrease in unfunded pension obligations	(25)	**(28)**	(58)
Amortization of capital equipment - internally funded	338	**267**	223
- externally funded	164	**609**	375
Amortization of facilities and improvements	2,212	**1,950**	2,024
Amortization of external capital contributions	(2,376)	**(2,578)**	(2,399)
Loss on transfer of capital assets to the Capital Health Authority			497
Loss (gain) on disposals of capital equipment		**19**	(3)
	2,577	**1,858**	(818)
Changes in non-cash working capital accounts (Note 26)	25	**(1,217)**	3,829
Cash generated by operating activities	2,602	**641**	3,011
Investing activities			
Purchase of capital assets			
internally funded	(650)	**(736)**	(749)
externally funded - equipment (Note 10)	(306)	**(889)**	(110)
Proceeds on sale of capital equipment			4
Cash used by investing activities	(956)	**(1,625)**	(855)
Financing activities			
Capital contributions received	306	**889**	110
Capital contributions received for prior year		**449**	
Increase in long term debt			449
Principal payments on long term debt		**(449)**	
Cash generated by financing activities	306	**889**	559
(Decrease) increase in cash and temporary investments	1,952	**(95)**	2,715
Cash and temporary investments, beginning of year	6,336	**6,336**	3,621
Cash and temporary investments, end of year	$ 8,288	**$ 6,241**	$ 6,336

See the accompanying notes to the financial statements

Note 1 Authority, Purpose and Operations

The Crossroads Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta, 1994. The Authority is exempt from payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in Alberta. The responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

Crossroads Health Centre - Breton
Crossroads Hospital & Health Centre - Drayton Valley
Crossroads Hospital & Health Centre - Wetaskiwin
Crossroads Health Unit - Drayton Valley
Crossroads Health Unit - Wetaskiwin
Crossroads Health Unit - Winfield

These financial statements do not include the assets, liabilities, and operations of any voluntary or private facilities providing health care services in the region.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. Following are the significant accounting policies:

(a) Basis of Presentation

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable, unless they have been specifically designated by the contributor for a future year.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(a) Basis of Presentation (continued)

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(viii) Revenue from the sale of goods and services is recorded in the period that the goods are delivered or the services are provided.

(b) Full Cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair values of costs of services are recorded. Fair value transactions as recorded consists of the following:

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Full Cost (continued)

(i) The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent, is recorded as other government contributions and as program expense.

(ii) Other assets, supplies and service contributions that would otherwise have been purchased, are recorded as revenue and expenses at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans, including deferred adjustments arising from the experience gains and losses, and changes in actuarial assumptions identified by the new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by the employee during the year; interest on unfunded liabilities; amortization of deferred adjustments over the expected average remaining service life of employees which relates to the long term; and the effect of the changes in the ratio used to allocate the pension plan's total unfunded liability to participating employers.

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(d) Investments

Temporary investments are recorded at the lower of cost or fair market value.

(e) Financial Instruments

The carrying value of accounts receivable, bank overdraft, bank loans, accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items.

(f) Inventories

Drugs and supplies inventory is recorded at the lower of cost and net realizable value applied on an average basis. Assisted living condos are recorded at the lower of cost and net realizable value applied on an individual unit basis.

(g) Capital Assets

Capital assets are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Buildings	20-40 years
Land improvements	10-20 years
Equipment	3-20 years

(h) Use of Estimates

In preparing the Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(i) Foreign Currencies

Revenue and expenses are translated at the actual rate of exchange at the time of the transaction.

(j) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If the actual costs are not known at the time the decision is made, then an estimate of the amount is recorded.

(k) Patient Trust Accounts

The authority holds trust funds on behalf of its long term care residents. These amounts are not reflected in these financial statements.

Note 3 Cash and Temporary Investments

	2000	1999
Cash and bank	$ 6,241	$ 6,335
Money market fund		1
	$ 6,241	$ 6,336

Included in cash and bank are externally restricted funds of $3,585 (1999 - $3,680) thousand dollars consisting of: Alberta Public Works Supply and Services for upgrades to the Crossroads Hospital & Health Centre - Wetaskiwin. Lottery Funds and grants from Alberta Health and Wellness for capital acquisition and Consolidated Cash Investment Trust fund and Federal Sales Tax rebate, monies from the construction of the Crossroads Hospital and Health Centre - Wetaskiwin.

The Authority has an operating line of credit of $3 million with interest charged at Prime less 0.5%. Currently the Authority has not accessed any of these funds.

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 4 Accounts Receivable

	2000	1999
Inpatient	$ 33	$ 39
Outpatient	44	38
Long Term Care	224	147
Alberta Health and Wellness	669	
Other	90	286
	$ 1,060	$ 510

Note 5 Inventories

	2000	1999
Drugs	$ 201	$ 189
Supplies	187	196
Assisted living condos	850	192
	$ 1,238	$ 577

Note 6 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,082	$	$ 1,082	$ 1,082
Land Improvements	260	165	95	106
Non-depreciable assets	503		503	503
Buildings	58,914	23,886	35,028	36,965
Equipment	9,993	6,708	3,285	2,108
Equipment, under capital lease				449
	$ 70,752	$ 30,759	$ 39,993	$ 41,213

Capital assets have been funded from the following sources:	2000	1999
Externally funded (unamortized external capital contributions)	$ 37,194	$ 38,434
Capital lease		449
Internally funded (invested in capital assets)	2,799	2,330
	$ 39,993	$ 41,213

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 7 Other Assets

Other assets are comprised of deferred development costs which include the cost of land and land improvements for the construction of units that are being built as part of the Authority's Assisted Living Program in Wetaskiwin and Drayton Valley. To date, 41 units have been built.

Note 8 Accounts Payable

	2000	1999
Trade payables	$ 1,899	$ 1,872
Accrued salaries	837	677
Accrued overtime	87	173
Accrued statutory holidays	71	71
Province of Alberta		
Federal Sales Tax rebate	639	639
Consolidated Cash Investment Trust fund	1,677	1,596
	$ 5,210	$ 5,028

Note 9 Deferred Contributions

	2000	1999
Amount received:		
Alberta Health and Wellness contributions	$ 877	$
Other government contributions	1,458	803
Donations	11	
Investment and other revenues	44	46
	2,390	849
Amounts recognized as revenue:		
Alberta Health contributions (Note 18)	(439)	(154)
Other government contributions (Note 19)	(1,251)	(260)
Repayment of other government contribution funds		(7)
Investment and other revenues	(25)	(19)
Change during the year	675	409
Balance, beginning of year	604	195
Balance, end of year	$ 1,279	$ 604

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 9 Deferred Contributions (continued)

Unspent amounts at the end of the year are restricted for the following purposes:

	2000	1999
Current:		
Education	$ 57	$ 35
Year 2000 funds	79	
Healthy Aging Partnership Initiative	359	
Assisted Living Contingency Fund	33	26
Public Works	751	543
	$ 1,279	$ 604

Year 2000 funding is externally restricted to expenses directly related to the year 2000 equipment issue. Public Works funding is externally restricted to expenses directly related to approved Public Works projects. The Health Aging Partnership is externally restricted to support the short-term recommendations of the Long term Care Review Policy Advisory Committee.

Note 10 Deferred Capital Contributions

The deferred capital contributions balance represents amount accounted for in accordance with the accounting policy in note 2(a).

	2000	1999
Amount received:		
Restricted Alberta Health and Wellness contributions	$ 267	$
Restricted other government contributions	250	206
Donations restricted for capital purposes	52	110
Investment and other revenues	26	36
	595	352
Transferred to:		
Reduction to Y2K funding level		(114)
Unamortized external capital contributions (Note 12)	(1,338)	(110)
Change during the year	(743)	128
Balance, beginning of year	902	774
Balance, end of year	$ 159	$ 902

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 10 Deferred Capital Contributions (continued)

Balance at the end of the year is restricted for the following purposes:

	2000	1999
Equipment replacement	$ 80	$
Y2K replacement of capital assets		696
Betterment of capital assets	79	206
	$ 159	$ 902

Note 11 Pension Plan Obligations

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for the Authority's employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan and Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998 extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan which will be funded by employers.

The liability of the Local Authorities Pension Plan and the Public Service Pension Plan is to be eliminated by December 31, 2036 through additional contributions by the participating employers, employees and the Crown.

	2000	1999
Local Authorities Pension Plan	$ 88	$ 71
Public Service Pension Plan	10	55
	$ 98	$ 126

The decrease in pension plan obligation has been presented as follows:

	2000	1999
Allocated to program	$ 28	$ 58

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 12 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(a). The balance at the end of the year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
Balance, beginning of year	$ 38,434	$ 53,675
Add: amount transferred from deferred capital contribution (Note 10)	889	110
Add: transfer of capital asset purchased in prior year	449	
Less: amount removed due to realignment of regional boundaries		(12,952)
Less: amount recognized as revenue	(2,543)	(2,378)
Less: amount recognized as revenue in ancillary operations (Note 20)	(35)	(21)
Balance, end of year	$ 37,194	$ 38,434

Note 13 Unrestricted and Internally Restricted Net Assets

The balance of unrestricted and internally restricted assets can be analyzed as follows:

	2000	1999
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ 4,063	$ 4,063
Changes since regionalization:		
Cumulative operating deficit	(773)	(2,392)
Invested in capital assets (net of amortization)	(2,799)	(2,330)
Miscellaneous adjustment	41	41
Balance, end of year	$ 532	$ (618)
Unrestricted	$ 132	$ (618)
Internally restricted	400	
	$ 532	$ (618)

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 14 Internally Restricted Net Assets

The Authority has internally restricted the following amounts for:	2000	1999
Operating funds reserved for future financial shortcomings	$ 400	$

Note 15 Contingency

The Authority is contingently liable for the buyback of 31 Assisted Living units at the option of and at the original cost to the purchaser, average cost of $90 thousand per unit. However, management feels that these units could be resold and costs recovered and that realistically the possibility of having to purchase back all units simultaneously is highly improbable.

Note 16 Commitments

The Authority is committed to renovations to the Crossroads Health Centre - Wetaskiwin emergency, diagnostic imaging and registration departments in the amount of $1,135 thousand. Funding for this project is being supplied by Public Works. The Authority is committed to equipment purchases for the laboratory and diagnostic imaging departments in the amount of $80 thousand and $79 thousand respectively. Funding for these has been supplied by the Alberta government and lottery funds. The Authority is committed to the completion of the Y2K issue in the amount of $79 thousand. Funding for the Y2K issue was supplied by Alberta Health and Wellness.

Crossroads Regional Health Authority #9
Notes to the Financial Statements
(in thousands of dollars)
March 31, 2000

Note 17 Budget

	Approved Budget(1)	Additional Funding(2)	Adjustments (3)	**Reported Budget**
Revenue				
Alberta Health and Wellness contributions	$ 35,848	$ 2,057	$ (397)	**$ 37,508**
Other government contributions	250			**250**
Fees and charges	2,386			**2,386**
Ancillary operations, net	(74)			**(74)**
Donations	75			**75**
Investment and other income	325			**325**
Amortization of External Capital Contribution	2,376			**2,376**
	41,186	2,057	(397)	**42,846**
Expenses				
Facility based inpatient acute services	8,016		(124)	**7,892**
Facility based emergency and outpatient services	2,561		(40)	**2,521**
Facility based continuing care services	4,309		(67)	**4,242**
Community and home based services	1,716		(27)	**1,689**
Diagnostic and therapeutic services	7,385		(114)	**7,271**
Promotion, prevention and protection services	2,111		(33)	**2,078**
Administration	2,515		(39)	**2,476**
Information technology and we/net	1,729		(27)	**1,702**
Y2K remedial costs				
Support services	8,632		(133)	**8,499**
Amortization of facilities and improvements	2,212			**2,212**
	41,186	-	(604)	**40,582**
Excess of revenues over expenses	$ -	$ 2,057	$ 207	**$ 2,264**

(1) The budget was approved by the board of the Health Authority on May 6, 1999 and approved by the Minister of Health and Wellness.

(2) On November 19, 1999, the Minister of Health and Wellness provided additional funding. These additional resources were allocated by the Board to address funding expectations.

(3) Adjustments arising from Board re-allocation, changes in the unfunded pension liability, etc. are: The removal of the $604 extra government funding relating to the import/export information and the addition of the $207 capital equipment funding for 1999/2000.

Crossroads Regional Health Authority #9
Notes to the Financial Statements

(in thousands of dollars)

March 31, 2000

Note 18 Alberta Health and Wellness Contributions

	Budget	2000	1999
Unrestricted contributions	$ 37,508	**$ 37,710**	$ 32,790
Transferred from deferred contributions (Note 9)		**439**	154
Children with complex needs			52
	$ 37,508	**$ 38,149**	$ 32,996

Note 19 Other Government Contributions

	Budget	2000	1999
Alberta Public Works Supply and Service (Note 9)	$ 250	**$ 1,251**	$ 260

Note 20 Ancillary Operations

	2000					1999
	Non-Patient Food Services Operations	Parking Operations	Other Operations	**Total**	Budget	Total
Revenues						
Revenues	$ 380	$	$ 848	**$ 1,228**	$ 1,251	$ 1,364
Amortization of deferred capital contributions			35	**35**	20	21
	380		883	**1,263**	1,271	1,385
Expenses						
Other expenses	399		937	**1,336**	1,325	1,446
Loss on sale of capital assets			17	**17**		
Amortization			18	**18**	20	21
	399		972	**1,371**	1,345	1,467
Deficiency of revenue over direct expenses	$ (19)	$	$ (89)	**$ (108)**	$ (74)	$ (82)
(Deficiency) excess of revenue over direct expenses 1999	$ (38)	$ 38	$ (82)	$ (82)		

Crossroads Regional Health Authority #9
Notes to the Financial Statements

(in thousands of dollars)

March 31, 2000

Note 21 Investment and Other Income

	Budget	2000	1999
Interest	$ 200	**$ 186**	$ 218
Other income	125	**91**	140
	$ 325	**$ 277**	$ 358

Note 22 Administration

	Budget	2000	1999
Corporate administration	$ 1,072	**$ 1,450**	$ 1,339
Public relations	169	**160**	157
Finance	649	**594**	726
Human resources	586	**610**	443
	$ 2,476	**$ 2,814**	$ 2,665

Note 23 Information Technology and Alberta we//net

	Budget	2000	1999
Alberta we/net	$ 173	**$ 94**	$ 159
Information technology	1,529	**1,506**	1,216
	$ 1,702	**$ 1,600**	$ 1,375

Alberta we/net is the province wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. Alberta we/net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or to develop applications to support we/net initiatives. In accordance with Generally Accepted Accounting Principles, $239 thousand has been capitalized and $94 thousand has been expensed.

Crossroads Regional Health Authority #9
Notes to the Financial Statements

(in thousands of dollars)
March 31, 2000

Note 24 Y2K Remedial Cost

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

During the year the Authority spent $1,232 thousand on Y2K initiatives. Of this amount $439 thousand was expensed and $793 thousand was capitalized. Currently there is a receivable from Alberta Health and Wellness for $593 thousand and $79 thousand in deferred contributions.

Note 25 Support Services

Support Services	Budget	2000	1999
Building maintenance, operations and security	$ 1,975	**$ 2,238**	$ 2,189
Public works renovations	225	**1,251**	260
Communications	97	**91**	94
Education	478	**453**	423
Housekeeping	1,409	**1,409**	1,386
Laundry and linen	424	**426**	413
Matericls management	643	**654**	667
Patient food services	2,093	**2,050**	1,976
Patient health records	537	**515**	489
Patient registration	548	**533**	521
Volunteer services	45	**47**	45
	$ 8,474	**$ 9,667**	$ 8,463

Note 26 Changes in Non-cash Working Capital Accounts

Changes in Non-cash Working Capital Accounts	Budget	2000	1999
Accounts receivable	$	**$ (550)**	$ 104
Inventories		**(661)**	446
Prepaid expenses		**(182)**	7
Non-current accounts receivable			928
Other assets	25	**27**	8
Accounts payable		**182**	1,962
Accrued vacation pay		**35**	(163)
Current portion of deferred contributions		**(227)**	1,465
Deferred contributions			(928)
Deferred capital contributions		**159**	
	$ 25	**$ (1,217)**	$ 3,829

Crossroads Regional Health Authority #9
Notes to the Financial Statements

(in thousands of dollars)
March 31, 2000

Note 27 Related Parties

(a) Province of Alberta

The Authority is established under the Regional Health authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the Statement of Operations and notes 4, 8, 9, 10, 18 and 19 to the financial statements.

(b) Foundations

The Authority has an economic interest in the foundations of Wetaskiwin and Drayton Valley. In each case they are entitled to representation on their Board of Directors.

	Contributions received by the Health Authority		Resources held by the foundation	
			2000	
	2000	1999	Externally Restricted	Unrestricted
Drayton Valley Health Services Foundation	**$ 1**	$ 12	$ 91	$ 57
Wetaskiwin Health Foundation	**85**	161	91	1,132
	$ 86	$ 173	$ 182	$ 1,189

Externally restricted amounts are for equipment, programs, research, and education for the specific hospitals and continuing care facilities supported by the individual foundations.

The value of administrative support provided to foundations, and the accounts receivable from the foundation at the year end are as follows:

	Administrative Support		Accounts Receivable	
	2000	1999	2000	1999
Wetaskiwin Health Foundation	**$ 101**	$ 161	**$**	$ 88

All foundations listed raise funds to benefit the Authority and other health related entities. The foundations are registered charities under the Income Tax Act.

Crossroads Regional Health Authority #9
Notes to the Financial Statements

(in thousands of dollars)
March 31, 2000

Note 28 Economic Dependence

Approximately 88.6% (86.8% in 1999) of revenues for the year ended March 31, 2000 are directly attributed to the Province of Alberta.

Note 29 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 30 Approval of Financial Statements

These financial statements were approved by the Authority on June 30, 2000.

Crossroads Regional Health Authority #9
Schedule of Expenses by Object

(in thousands of dollars)
For the year ended March 31, 2000

	2000		
	Budget	**Actual**	1999
Salaries, benefits, allowances and severances	$ 27,802	**$ 28,132**	$ 26,477
Contracts with health service operators			
Drugs, gases, medical and surgical supplies	1,473	**1,647**	1,619
Consulting services	925	**1,063**	1,026
Other	9,013	**10,657**	9,266
Amortization:			
Equipment	502	**876**	598
Facilities and improvements	2,212	**1,950**	2,024
	41,927	**44,325**	41,010
Less amount reported in ancillary operations (Note 20)	(1,345)	**(1,371)**	(1,467)
	$ 40,582	**$ 42,954**	$ 39,543

Schedule 1

Crossroads Regional Health Authority #9
Schedule of Salaries, Benefits, Allowances and Severance

(in thousands of dollars)

For the year ended March 31, 2000

	2000							1999			
					Severance						
	(1) Number of Individuals	(2) Salaries and Honoraria	(3) Benefits and Allowances	Subtotal	(1) Number of Individuals	Amount	Total	Number of Individuals	Salaries and Honoraria	Severance Amount	Total
Authority Board Compensation											
RHA Chairperson Rick Wilson		$ 19		$ 19			$ 19		$ 19		$ 19
RHA Members											
Anderson, Colleen		$ 6		$ 6			$ 6		$ 8		$ 8
Chubocha, Ed									1		$ 1
Dyck, Frank									2		$ 2
Hamdon, Moe		5		5			5		5		$ 5
Kruithof, Ian		9		9			9		4		$ 4
Maude, John									2		$ 2
Murray, Peter		7		7			7		4		$ 4
Sydenham, Judy		6		6			6		9		$ 9
Wilson, Wallace		3		3			3		3		$ 3
Total honoraria		55		55			55		57		57
Staff											
Chief Executive Officer (CEO)		17	3	20	1	209	229	1	122		122
Chief Executive Officer (CEO)	1	39	7	46			46				
	1	56	10	66	1	209	275	1	122		122
Management persons reporting to CEO											
COO Medical Affairs	1	133		133			133	1	125	150	275
COO Diagnostic and Treatment	1	93	14	107			107	1	105		105
COO Community Services	1	88	14	102			102	1	100		100
	3	314	28	342			342	3	330	150	480

Schedule 2

Crossroads Regional Health Authority #9
Schedule of Salaries, Benefits, Allowances and Severance

(in thousands of dollars)

For the year ended March 31, 2000

	2000							1999			
					Severance						
	(1) Number of Individuals	(2) Salaries and Honoraria	(3) Benefits and Allowances	Subtotal	(1) Number of Individuals	Amount	Total	Number of Individuals	Salaries and Honoraria	Severance Amount	Total
Other management persons reporting to those above (average 2000 $80,466, average 1999 $75,201) (excluding severances)	21	$ 1,482	$ 227	$ 1,709	1	$ 107	$ 1,816	22	$ 1,655		$ 1,655
Regulated nurses not included above (average 2000 $51,388, average 1999 $51,286) (excluding severances)	204	9,127	1,358	10,485	1	16	10,501	197	10,114		10,114
Other health technical and professionals (average 2000 $53,625, average 1999 49,303) (excluding severances)	103	4,759	742	5,501	0	0	5,501	92	4,519		4,519
Unregulated health service providers (average 2000 $28,598, average 199 $27,949) (excluding severances)	117	2,859	487	3,346	0	0	3,346	105	2,935		2,935
Other staff (average 2000 $34,488, average 1999 $34,901) (excluding severances)	182	5,363	922	6,285	1	11	6,296	189	6,595		6,595
	627	23,590	3,736	27,326	3	134	27,460	605	25,818	0	25,818
Total	631	$ 24,015	$ 3,774	$ 27,789	4	$ 343	$ 28,132	609	$ 26,327	$ 150	$ 26,477

Schedule 2

Crossroads Regional Health Authority #9
Schedule of Salaries, Benefits, Allowances and Severances
For the year ended March 31, 2000

(1) Full time equivalent (FTE) has been determined as follows:

2,022.75 hours for all employees except regulated nurses: Regulated nurses use 1,920.75.

Total actual discrete number of individuals employed: 2000 - 986 (1999 - 949)

(2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, Employment Insurance, Worker's Compensation, car benefits and allowances and tuition.

(4) The total amount is reported in the following schedules:

Note 20 - Ancillary Operations	$	197
Schedule 1 - Expenses by Object	$	28,132

Schedule 2

Crossroads Regional Health Authority #9
Summary of Revenues and Expenses
(in thousands of dollars)
For the year commencing April 1, 1997

	Actual			Proforma		
	2000	1999	1998	2000	1999	1998
Revenues						
Alberta Health contributions	$ 38,149	$ 32,996	$ 47,237	$ 38,149	$ 32,996	$ 31,077
Other government contributions	1,251	260	848	1,251	260	323
Fees and charges	2,339	2,326	4,347	2,339	2,326	2,389
Ancillary operations, net	(108)	(82)	12	(108)	(82)	
Donations	122	72	180	122	72	180
Investment and other income	277	358	414	277	358	331
Amortization of external contributions	2,543	2,378	2,926	2,543	2,378	2,389
	44,573	38,308	55,964	44,573	38,308	36,689
Expenses						
Facility based inpatient acute services	8,250	8,033	9,928	8,250	8,033	7,227
Facility based emergency and outpatient services	2,709	2,351	2,800	2,709	2,351	1,961
Facility based continuing care services	4,433	4,160	10,285	4,433	4,160	3,867
Community and home based services	1,749	1,602	2,492	1,749	1,602	1,412
Diagnostic and therapeutic services	7,304	6,866	9,285	7,304	6,866	6,210
Promotion, prevention and protection services	2,039	1,848	2,380	2,039	1,848	1,527
Administration	2,814	2,665	3,215	2,814	2,665	2,165
Information Technology and wellnet	1,600	1,375	1,398	1,600	1,375	1,398
Y2K remedial cost	439	154		439	154	
Support services	9,667	8,463	10,567	9,667	8,463	8,060
Amortization of facilities and improvements	1,950	2,026	2,396	1,950	2,026	1,949
	42,954	39,543	54,746	42,954	39,543	35,776
Excess (deficiency) of revenues over expenses before unallocated pension valuation adjustment	1,619	(1,235)	1,218	1,619	(1,235)	913
Extraordinary item		(242)				
Excess (deficiency) of revenues over expenses	$ 1,619	$ (1,477)	$ 1,218	$ 1,619	$ (1,235)	$ 913

Schedule 3

Capital Health Authority

Consolidated Financial Statements

March 31, 2000

CAPITAL HEALTH AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Management's Responsibility for Financial Reporting

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Changes in Net Assets

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule 1 – Consolidated Schedule of Expenses by Object

Schedule 2 – Consolidated Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 – Consolidated Three Year Summary of Revenue and Expense

AUDITOR'S REPORT

To the Members of the Capital Health Authority
and the Minister of Health and Wellness

I have audited the consolidated statement of financial position of the Capital Health Authority ("the Authority") as at March 31, 2000 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. I have also audited the supplementary information comprised of the combined statements of financial position, operations, changes in net assets and cash flows of the Authority and the Caritas Health Group as at and for the years ended March 31, 2000 and 1999, presented in accordance with the basis disclosed in Note 2 to the consolidated financial statements. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

In my opinion, the supplementary information presents fairly, in all material respects, the combined financial position, results of operations and cash flows of the Authority and the Caritas Health Group as at and for the years ended March 31, 2000 and 1999 in accordance with the basis of presentation disclosed in Note 2 to the consolidated financial statements.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 29, 2000

AUDITOR GENERAL
Alberta

CAPITAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying consolidated financial statements are the responsibility of management and have been approved by the Authority. The consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the consolidated financial statements through the Audit and Finance Committee. This Committee meets with management, and the Auditor General to discuss and review financial matters, and recommends the consolidated financial statements to the Capital Health Authority Board for approval. The Auditor General have full and free access to the Audit and Finance Committee.

The Auditor General provides an independent audit of the consolidated financial statements. His examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allow them to report on the fairness of the consolidated financial statements prepared by management.

Sh Weatherill	Allaudin Merali
Sheila Weatherill	**Allaudin Merali**

Date: May 29, 2000

CAPITAL HEALTH AUTHORITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	Capital Health Authority		Supplementary Information Note (2) Capital Health Authority and Caritas Health Group	
	2000	1999	2000	1999
ASSETS				
Current assets:				
Cash and temporary investments (Note 4)	$ 118,744	$ 103,391	$ 128,563	$ 110,903
Accounts receivable:				
Contributions receivable	7,862	2,005	7,862	2,005
Other receivables	26,379	18,911	27,698	22,980
Inventories	10,941	10,095	11,432	10,573
Prepaid expenses	19,875	17,862	20,466	18,010
	183,801	152,264	196,021	164,471
Capital contributions receivable (Note 5)	47,394	-	47,394	-
Non-current cash and investments (Note 4)	65,782	84,315	65,782	84,315
Capital assets (Note 6)	727,440	669,505	795,300	733,474
TOTAL ASSETS	$ 1,024,417	$ 906,084	$ 1,104,497	$ 982,260
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 89,939	$ 93,265	$ 98,540	$ 102,497
Accrued vacation pay	32,619	29,760	40,695	37,584
Deferred operating contributions (Note 7)	57,708	45,485	60,603	48,282
Current portion of long-term debt (Note 8)	3,348	3,392	3,875	3,892
	183,614	171,902	203,713	192,255
Non-current liabilities:				
Deferred capital contributions (Note 9)	62,791	73,924	62,957	74,034
Long-term debt (Note 8)	15,605	18,953	18,497	22,371
Pension plan obligation (Note 10)	1,982	5,546	2,371	5,840
Life lease deposits (Note 11)	8,641	4,465	8,641	4,465
	89,019	102,888	92,466	106,710
Unamortized external capital contributions (Note 12)	655,697	603,263	706,814	649,540
Net assets:				
Unrestricted	-	(11,614)	(7,906)	(19,664)
Restricted funds for designated purposes (Note 13)	51,367	-	51,367	-
Investment in capital assets	44,720	39,645	58,043	53,419
	96,087	28,031	101,504	33,755
TOTAL LIABILITIES AND NET ASSETS	$ 1,024,417	$ 906,084	$ 1,104,497	$ 982,260
Commitments (Note 15)				

The accompanying notes and schedules are part of these consolidated financial statements.

CAPITAL HEALTH AUTHORITY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	Capital Health Authority			Supplementary Information (Note 2) Capital Health Authority and Caritas Health Group	
	2000		1999	2000	1999
	Budget (Note 16)	Actual	Actual		
Revenue					
Alberta Health and Wellness contributions (Note 17)	$ 1,084,376	$ 1,100,000	$ 950,786	$ 1,100,000	$ 950,786
Other government contributions (Note 18)	12,485	12,780	11,401	18,159	16,751
Fees and charges	86,791	90,668	85,989	90,668	85,989
Ancillary operations, net (Note 19)	3,421	3,432	2,882	4,901	4,935
Investment and other income (Note 20)	40,304	51,632	43,006	57,117	46,406
Amortization of external capital contributions (Note 12)	35,000	35,608	31,738	40,466	36,134
TOTAL REVENUE	$ 1,262,377	$ 1,294,120	$ 1,125,802	$ 1,311,311	$ 1,141,001
Expense (Schedule 1)					
Facility-based inpatient acute care services	$ 331,728	$ 330,934	$ 314,545	$ 333,525	$ 315,308
Facility-based emergency and outpatient services	96,517	96,893	87,230	101,473	88,598
Facility-based continuing care services	174,209	174,760	162,223	171,634	165,085
Community and home based services	63,841	64,183	59,783	64,246	59,783
Diagnostic and therapeutic services	230,477	233,872	208,689	239,346	211,449
Promotion, prevention and protection services	32,209	32,499	27,438	32,591	27,469
Research and education	60,654	63,264	52,552	63,660	53,118
Administration (Note 21)	36,599	36,175	35,146	38,050	37,717
Information technology and alberta we net (Note 22)	19,000	22,351	15,876	22,351	15,876
Year 2000 remedial costs (Note 23)	-	7,599	5,865	7,599	5,865
Support services (Note 24)	142,063	143,595	135,886	146,606	136,840
Amortization of facilities and improvements	20,001	19,939	20,437	22,481	22,962
TOTAL EXPENSE	$ 1,207,378	$ 1,226,064	$ 1,125,670	$ 1,243,562	$ 1,140,070
Excess of revenue over expense	$ 54,999	$ 68,056	$ 132	$ 67,749	$ 931
Excess of revenue over expense consists principally of one time funding appropriated for					
1995/96 deficit funding	20,499	20,499	-	20,499	-
Long-term debt repayment	5,000	5,000	-	5,000	-
Investment in capital assets	29,500	42,557	-	42,250	-
	$ 54,999	$ 68,056	$ -	$ 67,749	$ -

The accompanying notes and schedules are part of these consolidated financial statements.

CAPITAL HEALTH AUTHORITY
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	Capital Health Authority 2000 Operating Unrestricted (Note 14)	Restricted Funds for Designated Purposes (Note 13)	Accumulated Excess of Revenue over Expense (Note 14)	Investment in Capital Assets	Total	1999 Total	Caritas Health Group Supplementary Information (Note 2) 2000 Accumulated Excess of Revenue over Expense	Investment in Capital Assets	Total	1999 Total
Balance at beginning of year	$ (11,614)	$ -	$ (11,614)	$ 39,645	$ 28,031	$ 28,105	$ (8,050)	$ 13,774	$ 5,724	$ 4,925
Excess of revenue over expense	68,056	-	68,056	-	68,056	132	(307)		(307)	799
Board approved capital commitments at April 1	(8,885)	8,885	-	-	-	-				
One time funding for capital equipment purchases	(42,557)	42,557	-	-	-	-				
One time funding for debt repayment	(5,000)	5,000	-	-	-	-				
Capital assets purchased with internal funds	1,587	(19,024)	(17,437)	17,437	-	-	(373)	373		
Amortization on internally funded assets	15,754	-	15,754	(15,754)	-	-	937	(937)		
Transfer for internally funded capital assets	(17,341)	17,341	-	-	-	-				
Repayment of long term debt used to fund capital assets	-	-	-	-	-	-				
Other	-	(3,392)	(3,392)	3,392	-	(206)	(113)	113		
Balance at end of year Capital Health Authority	$ -	$ 51,367	$ 51,367	$ 44,720	$ 96,087	$ 28,031				
- Caritas Health Group	(7,906)		(7,906)	13,323	5,417	5,724	$ (7,906)	$ 13,323	$ 5,417	$ 5,724
Total Capital Health Authority and Caritas Health Group	$ (7,906)	$ 51,367	$ 43,461	$ 58,043	$ 101,504	$ 33,755				

The accompanying notes and schedules are part of these consolidated financial statements.

CAPITAL HEALTH AUTHORITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	Capital Health Authority 2000 Budget	2000 Actual	1999 Actual	Supplementary Information (Note 2) Capital Health Authority and Caritas Health Group 2000	1999
Operating activities					
Excess of revenue over expense	$ 54,999	$ 68,056	$ 132	$ 67,749	$ 931
Non-cash transactions					
Decrease in unfunded pension obligations	-	(3,564)	(43)	(3,469)	(43)
Amortization of capital equipment - internally funded	8,500	15,754	8,536	16,638	9,916
Amortization of capital equipment - externally funded	14,999	13,707	9,938	16,281	12,739
Amortization of facilities and improvements	20,001	20,882	20,787	23,424	23,312
Amortization of external capital contributions	(35,000)	(35,600)	(31,738)	(40,466)	(36,134)
Loss on disposal of capital equipment	-	1,019	420	1,160	60
Loss on disposal of facilities and improvements	-	-	593	-	-
Loss (gain) on disposal of investments	(100)	968	(81)	968	(81)
Change in non-cash working capital accounts (Note 25)	100	(4,428)	24,488	(2,359)	27,045
Cash generated by operations	63,499	76,786	33,032	79,926	37,745
Investing activities					
Purchase of investments	(90,000)	(92,960)	(113,160)	(92,960)	(113,160)
Purchase of capital assets					
Internally funded	(15,000)	(17,437)	(15,442)	(17,810)	(15,759)
Funded with long-term debt	-	(935)	(8,514)	(935)	(8,555)
Externally funded (Note 9)					
Equipment	(11,000)	(7,114)	(10,702)	(14,422)	(12,700)
Facilities and improvements	(36,000)	(45,275)	(28,532)	(47,666)	(31,128)
Year 2000	-	(41,266)	(18,207)	(41,266)	(18,207)
Funded by life lease deposits	-	(2,883)	(1,500)	(2,884)	(1,500)
County of Leduc transfers - capital assets	-	-	(13,464)	-	(13,464)
Proceeds on sale of investments	90,000	88,056	76,199	88,096	76,231
Allocations from non-current cash	-	22,469	1,187	22,469	1,187
Building transfer to Alberta Infrastructure (Note 29)	-	5,613	-	5,613	-
Cash used for investing activities	(62,000)	(91,732)	(132,135)	(101,765)	(137,055)
Financing activities					
Capital contributions received (Note 9)	47,000	35,128	101,850	44,827	106,444
County of Leduc transfer	-	-	13,258	-	13,258
Principal payments on long-term debt	(3,400)	(3,392)	(3,061)	(3,891)	(3,172)
Proceeds from long-term debt	-	-	10,000	-	10,000
Life lease deposits received	-	4,176	200	4,176	208
Building transfer to Alberta Infrastructure (Note 29)	-	(5,613)	-	(5,613)	-
Cash generated from financing activities	43,600	30,299	122,255	39,499	126,738
Increase in current cash and temporary investments	45,099	15,353	23,152	17,660	27,428
Current cash and temporary investments at beginning of year	103,391	103,391	80,239	110,903	83,475
Current cash and temporary investments at end of year	$ 148,490	$ 118,744	$ 103,391	$ 128,563	$ 110,903

The accompanying notes and schedules are part of these consolidated financial statements.

CAPITAL HEALTH AUTHORITY
NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
MARCH 31, 2000
(thousands of dollars)

Note 1 Authority, Purpose and Operations

The Capital Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, and Statutes of Alberta 1994. The Authority is exempt from payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The geographic boundary of the Capital Region comprises the cities of Edmonton and St. Albert, the municipalities of Leduc, Beaumont, New Sarepta, Rolly View, Nisku, Calmar, Thorsby, Sunnybrook and Warburg and the Counties of Strathcona and Leduc. The Authority provides a significant amount of services to residents of surrounding Northern regions, and for some specialized programs, provides services to all Albertans as well as the Western provinces and territories.

The Authority operations include the following:

a) Acute Care Hospitals and Community Hospitals and Health Centres
    University of Alberta Hospital
    Royal Alexandra Hospital
    Glenrose Rehabilitation Hospital
    Grey Nuns Hospital and Community Health Centre (operated by the
        Caritas Health Group)
    Misericordia Hospital and Community Health Centre (operated by the
        Caritas Health Group)
    Sturgeon Hospital and Community Health Centre
    Leduc Community Hospital and Health Centre

b) Innovative Primary Health Facilities
    Northeast Community Health Centre

Note 1 Authority, Purpose and Operations (continued)

c) Continuing Care Facilities
    Capital Care Group Inc. (wholly owned subsidiary of the Authority):
        Dickinsfield, Grandview, Norwood, Lynnwood, Mewburn
    Veterans Centre, Strathcona Care Centre, McConnell Care
    Centres and Laurier House
    Edmonton General Hospital (operated by the Caritas Health Group)
    Private and Voluntary Continuing Care Providers:
        15 providers under contract operating at 34 sites

d) Home Care
e) Public Health Clinics - 14 Sites
f) Public Health Speciality Clinics - 4 Sites
g) Medical Education (interns and residents) - various facilities
h) Research - undertaken at various facilities
i) Laboratory Services - hospital based laboratory services, and services contracted from a private operator
j) Provincial Laboratory at the University of Alberta Hospital Site
k) Community Rehabilitation Physiotherapy Clinics at 47 sites under contract and 8 public sites
l) Community Organizations - 11 providers under contract
m) Ancillary Operations - non-patient food services, parking, and other commercial activities

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in Note 26. However, supplementary information comprising the combined financial statements of the Authority and Caritas Health Group is provided (see Note 2).

Note 2 Capital Health Authority Results and Caritas Health Group Results Combined and Presented as Supplementary Information

In meeting its responsibilities under the Regional Health Authorities Act, the Authority contracts with Caritas Health Group to provide certain acute care services as an integral part of the Authority's operations.

The consolidated financial statements of the Capital Health Authority and the audited financial statements of the Caritas Health Group have been combined for the current and prior year and presented as supplementary information, item for item with the information presented in the consolidated financial statements of the Authority.

Note 3 Significant Accounting Policies and Reporting Practices

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. Following are the significant accounting policies:

Note 3 Significant Accounting Policies and Reporting Practices (continued)

(a) Basis of Presentation

(1) These financial statements have been prepared on a consolidated basis, except that Foundations are not consolidated. The entities consolidated are the Capital Health Authority and its wholly owned subsidiary, Capital Care Group Inc.

(2) These consolidated financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year they become receivable, unless they have been specifically designated by the contributor for a future year.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred. If these contributions are unspent, they are recorded as deferred contributions.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(viii) Revenue from sale of goods and services is recorded in the period that goods are delivered or services are provided.

(b) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

Note 3 Significant Accounting Policies and Reporting Practices (continued)

(b) Full cost (continued)

The fair value of costs of services is recorded. Fair value transactions as recorded consist of the following:

(i) Revenue earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges is recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments from Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations, and also recorded as program expense, since contract payments from the Authority do not include an amount for use of these facilities.

(iv) The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

Note 3 Significant Accounting Policies and Reporting Practices (continued)

(c) Pension Plan Expense and Obligation (continued)

The portion is based on the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based on the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on unfunded pension liability, amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of change in the ratio used to allocate the pension plans' total unfunded liability to participating employers.

(d) Investments

Temporary investments are recorded at lower of cost and market.

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realized on disposal are recognized in the period of disposal.

Where there has been a loss in the value of an investment other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial Instruments

The carrying value of cash and temporary investments, accounts receivable and accounts payable approximates their fair value because of the short-term maturities of these items.

The fair values of non-current cash and investments are disclosed in note 4.

Non-current receivables approximate their fair value.

The carrying value of the life lease deposits repayable over a long term at the original values is not discounted. The fair value of the life lease deposits is not practically determinable.

The carrying value of long-term debt and obligations under capital leases approximates their fair values.

(f) Inventories

Inventories are valued at the lower of cost and net realizable value.

Note 3 Significant Accounting Policies and Reporting Practices (continued)

(g) Capital Assets

Capital assets and construction projects in progress are recorded at cost.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

Buildings	2.5% - 5%
Parking lots	5%-10%
Land improvements	10%
Furniture and equipment	5% - 20%
Equipment under capital lease	5% - 20%
Leasehold improvements	Lease term plus one renewal period

Capital projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(h) Trust Funds Received by the Authority for Non-owned Facilities

The Authority receives trust funds from Alberta Infrastructure that are to be paid to operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in the financial statements but are disclosed in Note 28.

(i) Measurement Uncertainty

The consolidated financial statements by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. Actual results could differ from these estimates.

Note 4 Cash and Investments

	2000	1999
	(thousands of dollars)	
Cash	$ 109,326	$ 116,340
Bonds	51,321	51,882
Equities	23,879	19,484
Total	$ 184,526	$ 187,706
Reported as:		
Current	$ 118,744	$ 103,391
Non-current	65,782	84,315
	$ 184,526	$ 187,706
Fair value of current and non-current cash and investments	$ 184,982	$ 192,060

(a) Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from failure by another party to perform according to terms of the contract. Price risk comprises interest rate risk and market risk. Interest rate risk relates to the possibility that investments will change in value with future fluctuations in market interest rates. Market risk relates to the possibility that investments will change in value due to future fluctuations in market prices.

To earn optimal financial returns at an acceptable level of risk, management has established a policy asset mix of 0% to 100% for fixed-income instruments and 0% to 35% for equities. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments.

(b) Publicly traded fixed-income instruments are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints on the portfolio by management of portfolio duration and issuer mix.

Fixed-income securities maturity dates range from September 2003 to June 2023. Bond yields to maturity range from 5.0% to 9.5% as at March 31, 2000. (March 31, 1999 – 5.4% to 5.9%). The weighted average term to maturity is 6.8 years.

(c) Equities comprise publicly traded equities in Canadian and United States resident corporations. Risk is reduced by prudent security selection and sector rotation.

Note 4 Cash and Investments (continued)

Non-current cash and investments held relate to the following:

	2000	1999
	(thousands of dollars)	
Contributions externally restricted for capital purposes (Note 9)	$ 62,791	$ 73,924
Less contributions receivable	(47,394)	-
	15,397	73,924
Funds committed for capital purposes (Note 13)	51,367	8,885
Other	(982)	1,506
	$ 65,782	$ 84,315

Note 5 Capital Contributions Receivable

	2000	1999
	(thousands of dollars)	
Capital contributions receivable:		
Alberta Infrastructure:		
Long term care capital projects	$ 16,500	$ -
Acute care and other capital projects	6,825	-
Capital equipment on major projects	11,000	-
Alberta Health and Wellness:		
Capital equipment	13,069	-
	$ 47,394	$ -

Note 6 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Buildings	$ 764,676	$ 221,496	$ 543,180	$ 535,067
Parking lots	39,313	13,950	25,363	14,152
Land and improvements	4,965	769	4,196	6,174
Furniture and equipment	284,587	161,335	123,252	60,263
Equipment under capital lease	9,532	8,778	754	1,232
Leasehold improvements	4,080	3,189	891	1,141
Projects in progress (1)	29,804	-	29,804	51,476
	$ 1,136,957	$ 409,517	$ 727,440	$ 669,505

(1) Projects in progress include the Emergency Department relocation at University of Alberta Hospital, Northern Alberta Neonatal Program, Stollery Children's Health Centre, and Information Systems projects under development.

(a) Land

Land at the following sites has been provided to the Authority at nominal values:

Site	Leased From	Lease Period
Royal Alexandra Hospital	City of Edmonton	Expires 2002
Glenrose Rehabilitation Hospital	Province of Alberta	Expires 2038
Mewburn Veterans Centre	Alberta Cancer Board	Expires 2008
Laurier House	Alberta Infrastructure	Expires 2056
McConnell Place North	City of Edmonton	Expires 2035
McConnell Place West	Alberta Infrastructure	Expires 2056

(b) Leased Equipment

Included in equipment are items acquired through capital leases at a cost of $9,532,000 (1999 $9,532,000) with accumulated amortization of $8,778,000 (1999 $8,300,000).

Note 6 Capital Assets (continued)

(c) Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions) (Note 12)	$ 655,697	$ 603,263
Internally funded (invested in capital assets)	44,720	39,645
Financed through:		
Long-term debt (Note 8)	18,953	22,345
Life lease deposits (Note 11)	8,641	4,465
Bank indebtedness	-	1,293
Other	(571)	(1,506)
	$ 727,440	$ 669,505

Note 7 Deferred Operating Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions		
Restricted	$ 40,006	$ 34,289
Unrestricted	1,058,438	913,467
	1,098,444	947,756
Other government contributions	1,092	-
Special purpose funds		
Research and education purposes	40,852	32,015
Other contributions	5,009	6,744
	1,145,397	986,515
Amounts recognized as revenue:		
Alberta Health and Wellness contributions (Note 17)		
Restricted	41,562	37,357
Unrestricted	1,058,438	913,429
	1,100,000	950,786
Other government contributions (Note 18)	1,362	-
Special purpose funds (Note 20)		
Research and education purposes	33,496	24,948
Other contributions (Note 20)	3,649	4,145
	1,138,507	979,879
	6,890	6,636
Transfer of funds related to Year 2000 (Note 9)	5,333	(52,331)
Change during the year	12,223	(45,695)
Balance at beginning of year	45,485	91,180
	$ 57,708	$ 45,485
Unspent amounts at end of year are restricted for the following purposes:		
Alberta Health and Wellness Year 2000 operating purposes	$ -	$ 2,266
Alberta Health and Wellness patient care programs	10,918	4,875
Other government contributions, primary care programs	257	527
Special purpose funds, research and education	40,175	32,819
Other	6,358	4,998
	$ 57,708	$ 45,485

Note 8 Long-term Debt

	2000	1999
	(thousands of dollars)	
Loans	$ 5,535	$ 7,058
Debentures	12,574	13,762
	18,109	20,820
Obligations under capital leases, net of imputed interest	844	1,525
	18,953	22,345
Less: current portion	3,348	3,392
Long-term portion	$ 15,605	$ 18,953

	Capital Leases	Loans and Debentures	Total
	(thousands of dollars)		
Future principal payments:			
For the year ending March 31			
2001	$ 434	$ 2,914	$ 3,348
2002	410	3,135	3,545
2003	-	2,149	2,149
2004	-	793	793
2005	-	392	392
thereafter	-	8,726	8,726
	$ 844	$ 18,109	$ 18,953

Note 8 Long-term Debt (continued)

Capital leases expire on various dates to 2002. The implicit interest rates payable on these leases range from 5.80% to 9.87%. The leased equipment is pledged as collateral security for capital leases.

Loan and debenture maturities and rates are as follows:

	Maturity Date	Rate	Amount 2000	Amount 1999
			(thousands of dollars)	
Alberta Municipal Financing Corp. (1)	October 1, 2018	5.75%	$ 9,721	$ 10,000
Pacific & Western Trust Corporation (2)	April 26, 2003	5.55%	5,535	7,058
Alberta Municipal Financing Corp. (1)	July 5, 2001	10.75%	1,155	1,649
City of Edmonton - annual (3)	May 1, 2001	11.00%	938	1,334
City of Edmonton - semi-annual (3)	June 1, 2020	6.875%	760	779
			$ 18,109	$ 20,820

(1) The parkade at University of Alberta Hospital is pledged as collateral security for the Alberta Municipal Financing Corporation debenture.

(2) Capital equipment is pledged as collateral security for the Pacific & Western Trust Corporation loan.

(3) Borrowings are unsecured.

Note 9 Deferred Capital Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted Alberta Health and Wellness contributions	$ 2,300	$ 2,500
Restricted other government contributions	30,002	41,118
Interest on externally restricted contributions	539	662
Donations restricted for capital purposes	5,001	5,300
Other	1,392	-
Refund of capital contributions	(179)	(61)
	39,055	49,519
Interest earned on Year 2000 funds (Note 20)	1,406	-
Transfer of funds related to Year 2000 (Note 7)	(5,333)	52,331
	35,128	101,850
Capital contributions receivable (Note 5)	47,394	-
Transferred to:		
Unamortized external capital contributions (Note 12)	(93,655)	(57,441)
Change during the year	(11,133)	44,409
Balance, beginning of year	73,924	29,515
Balance, end of year	$ 62,791	$ 73,924
Balance at the end of the year is restricted for the following purposes:		
Year 2000	$ -	$ 34,774
Equipment	29,273	14,288
Long term care capital projects	16,500	-
New construction upgrade projects	17,018	24,862
	$ 62,791	$ 73,924

Note 10 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the total unfunded liability amount for each plan that will be funded by employers.

The liability consists of:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 1,659	$ 864
Public Service Pension Plan	323	4,682
	$ 1,982	$ 5,546

In January 2000 all staff who participated in the Public Service Pension plan with the exception of staff at Capital Care Group Inc. were transferred to the Local Authorities Pension plan. This transfer has resulted in a decrease in the Public Service Pension plan obligation and an increase in the Local Authorities Pension plan obligation.

The overall decrease in pension plan obligation has been allocated to program expenses.

Note 11 Life Lease Deposits

Funding for the Laurier House, a project for long term care residents, is provided by the tenants with a non-interest bearing repayable deposit for a right to occupy the unit leased. When the life lease agreement is terminated, which may be by death or the tenant moving out, the life lease deposit is returned to the tenant without interest.

Note 12 Unamortized External Capital Contributions

The balance at the end of year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	$ 603,263	$ 564,096
Add amounts transferred from:		
Deferred capital contributions (Note 9)	93,655	57,441
Transfer of building (Note 29)	(5,613)	-
County of Leduc transfer	-	13,464
Less amounts recognized as revenue	(35,608)	(31,738)
Balance at end of year	$ 655,697	$ 603,263

Note 13 Restricted Funds for Designated Purposes

Funds restricted for designated purposes represent amounts internally restricted by the Authority for the following purposes:

	2000	1999[1]
	(thousands of dollars)	
Transfer from 1999/2000 results:		
1999/2000 capital plan requirements	$ 23,500	$ -
2000/2001 capital plan requirements	19,453	-
Other	(396)	-
	42,557	-
Board approved capital commitments of prior years	2,223	-
Debt repayment	5,000	-
Other	1,587	-
	$ 51,367	$ -

Restricted funds represent amounts approved for capital expenditures and long term debt repayment and are not available for other purposes.

[1] The reported accumulated excess of revenue over expense at March 31, 1999 did not reflect commitments at that date in the aggregate amount of $8,885,000 as the Authority then had an accumulated deficiency of unrestricted net assets of $20,499,000.

Note 14 Accumulated Excess of Revenue Over Expense

	2000	1999
	(thousands of dollars)	
Unrestricted net assets (deficiency) at regionalization - April 1, 1995	$ (34,522)	$ (34,522)
Cumulative operating surplus[1]	100,839	32,783
Net investment in capital assets	(6,471)	(3,201)
Repayment of long-term debt	(9,841)	(6,449)
Other	1,362	(225)
Balance at March 31, 2000	$ 51,367	$ (11,614)

[1] The cumulative surplus of $100,839,000 includes funding of $33,081,000 received in 1997/1998 for inherited deficit at regionalization.

Note 14 Accumulated Excess of Revenue Over Expense (continued)

Unrestricted net assets by year

	Opening Balance	Operating Surplus Deficit	Invested in Capital Assets	Amortization on Internally funded assets	Debt Repayment	Other	Ending Balance
			(thousands of dollars)				
1995-96	$ (34,522)	$ (25,658)	$ (2,429)	$ 7,036	$ (835)	$ -	$ (56,408)
1996-97	(56,408)	26,378	(13,132)	7,001	(659)	-	(36,820)
1997-98	(36,820)	31,931	(2,070)	7,299	(1,894)	-	(1,554)
1998-99	(1,554)	132	(15,442)	8,536	(3,061)	(225)	(11,614)
1999-00	(11,614)	68,056	(19,024)	15,754	(3,392)	1,587	51,367
Total		$ 100,839	$ (52,097)	$ 45,626	$ (9,841)	$ 1,362	

Note 15 Commitments

The Authority is committed to operating lease payments in future years as follows:

	(thousands of dollars)
For the year ending March 31, 2001	$ 1,608
2002	1,371
2003	1,154
2004	584
2005	343
Thereafter	686
	$ 5,746

The leases expire at various dates from 2000 to 2007.

The Authority has outstanding commitments for capital equipment purchases of $1,926,000.

Note 16 Budget

	Approved Budget(1)	Additional Funding(2)	Adjustments(3)	Reported Budget
		(thousands of dollars)		
Revenue				
Alberta Health and Wellness contributions	$ 1,019,396	$ 61,133	$ 3,847	$ 1,084,376
Other government contributions	14,485	-	(2,000)	12,485
Fees and charges	84,038	-	2,753	86,791
Net ancillary operations	5,421	-	(2,000)	3,421
Investment and other revenue	40,304	-	-	40,304
Amortization of external capital contributions	35,000	-	-	35,000
	1,198,644	61,133	2,600	1,262,377
Expense				
Facility based inpatient acute services	331,728	-	-	331,728
Facility based emergency and outpatient services	107,017	-	(10,500)	96,517
Facility based continuing care services	173,589	700	-	174,289
Community and home based services	61,698	2,143	-	63,841
Diagnostic and therapeutic services	220,786	3,291	6,400	230,477
Promotion, prevention and protection services	32,209	-	-	32,209
Research and education	60,154	-	500	60,654
Administration	32,599	-	4,000	36,599
Information technology and alberta we net	18,000	-	1,000	19,000
Support services	140,863	-	1,200	142,063
Amortization of facilities and improvements	20,001	-	-	20,001
	1,198,644	6,134	2,600	1,207,378
Excess of revenue over expense	$ -	$ 54,999	$ -	$ 54,999

(1) The budget was approved by the Board of the Authority on May 26, 1999, and approved by the Minister of Health and Wellness.

(2) On November, 1999, the Minister of Health and Wellness provided additional funding. These additional resources were allocated by the Board mainly for one time expenses, and for restoring the working capital to fund the 1995/96 deficit.

(3) Adjustments relate to re-allocations to expenses to conform to the classification used to report actual amounts.

Note 17 Alberta Health and Wellness Contributions

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Unrestricted funding	$ 991,443	$ 994,947	$ 911,071
November, 1999 one time funding	61,133	61,134	-
Unrestricted contributions made directly by Alberta Health and Wellness to contract health service operators (Note 26(d))	-	2,357	2,358
	1,052,576	1,058,438	913,429
Year 2000 funding relating to operating expenditure	-	7,599	5,865
Other restricted funding	31,800	33,963	31,492
	31,800	41,562	37,357
	$1,084,376	$ 1,100,000	$ 950,786

Note 18 Other Government Contributions

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Alberta Infrastructure	$ -	$ 251	$ -
Government of Canada	-	-	116
Primary care projects (Note 7)	-	1,362	-
Fair value of rent less rent charges for non-acute care facilities used by the Authority (Note 26(d))	327	327	327
Fair value for use of non-owned acute care facilities (Note 26(d))	12,158	10,840	10,958
	$ 12,485	$ 12,780	$ 11,401

Note 19 Ancillary Operations

	2000					1999
	(thousands of dollars)					
	Non-Patient Food Services Operations	Other Operations	Parking Operations	Total	Budget	Total
Revenue	$ 8,158	$ 10,560	$ 7,121	$ 25,839	$ 22,770	$ 22,641
Expense:						
Direct costs	7,764	9,375	3,710	20,849	19,349	17,726
Amortization of capital assets	182	60	1,316	1,558	-	2,033
	7,946	9,435	5,026	22,407	19,349	19,759
Excess of revenue over expense 1999-00	$ 212	$ 1,125	$ 2,095	$ 3,432	$ 3,421	$ 2,882
Excess of revenue over expense 1998-99	$ 229	$ 897	$ 1,756	$ 2,882	$ 3,885	$ 2,882

Note 20 Investment and other income

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Investment income	$ 6,000	$ 9,712	$ 6,810
Investment income subject to restrictions and transferred to deferred contributions (Note 9)	-	(1,406)	-
Funds received for research and education purposes (Note 7)	22,000	33,496	24,948
Other contributions (Note 7)	4,000	3,649	4,145
Sales and recoveries	8,304	6,181	7,103
	$ 40,304	$ 51,632	$ 43,006

Investment income comprises interest, dividends, amortization of discount and premiums, and net gains on disposal of investments.

Note 21 Administration

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
General administration	$ 19,322	$ 18,751	$ 17,697
Financial services	7,754	7,855	7,636
Interest on long-term debt	500	434	961
Human resources	9,023	9,135	8,852
	$ 36,599	$ 36,175	$ 35,146
Expenses before amortization of related capital assets		$ 35,275	$ 32,793
Amortization of related capital assets		900	2,353
		$ 36,175	$ 35,146

Note 22 Information technology and alberta we/net

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Information systems support	$ 16,600	$ 17,039	$ 13,695
alberta we/net	2,400	5,312	2,181
	$ 19,000	$ 22,351	$ 15,876

alberta we/net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. alberta we/net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning, pre-development and development activities that will produce clinical and administrative deliverables and to develop applications to support we/net initiatives. In accordance with Canadian generally accepted accounting principles, $5,312,000 has been expensed (1999 $2,181,000) and $nil (1999 $2,251,000) has been capitalized.

Note 23 Year 2000 Remedial Costs

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 24 Support Services

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Clinical engineering	$ 4,797	$ 4,816	$ 4,196
Building maintenance, operations and security	45,603	45,718	43,250
Communications	3,875	4,387	3,605
Education	3,016	3,099	2,697
Housekeeping	19,551	20,270	18,796
Materials management	17,864	18,166	17,935
Patient food services	24,839	25,405	22,949
Patient registration	14,139	14,300	13,695
Other services	8,379	7,434	8,763
	$ 142,063	$ 143,595	$ 135,886
Expenses before amortization of related capital assets		$ 141,712	$ 133,330
Amortization of related capital assets		1,883	2,556
		$ 143,595	$ 135,886

Note 25 Change in Non-Cash Working Capital Accounts

	2000	1999
	(thousands of dollars)	
Accounts receivable	$ (13,325)	$ 55,801
Inventories	(846)	(375)
Prepaid expenses	(2,013)	(16,383)
Accounts payable	(3,326)	27,636
Accrued vacation pay	2,859	3,504
Deferred operating contributions	12,223	(45,695)
	$ (4,428)	$ 24,488

Note 26 Related Parties

(a) Provincial Government

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Contributions from the Province are disclosed in the Consolidated Statement of Operations and notes 7, 9, 17 and 18 to the consolidated financial statements.

Note 26 Related Parties (continued)

(b) Foundations

The Authority has an economic interest, through representation on the Board of Directors, in the following foundations:

	Contributions Received[1]		Resources Held by Foundation		
			2000		
	2000	1999	Endowments & Externally Restricted	Internally Restricted	Unrestricted
	(thousands of dollars)				
University Hospital Foundation	$ 3,742	$ 2,769	$ 11,977	$ 2,311	$ 7,748
Royal Alexandra Hospital Foundation	1,737	1,761	1,773	3,026	165
Children's Health Foundation of Northern Alberta	2,342	1,240	4,413	1,348	600
Capital Care Foundation	387	694	560	146	38
Black Gold Health Foundation (formerly Leduc Health Foundation)	21	24	-	-	150
Glenrose Foundation	168	179	1,544	203	440
Sturgeon Community Hospital & Health Centre Foundation	123	107	441	-	525
Strathcona Health Care Foundation	10	13	30	177	-
	$ 8,530	$ 6,787	$ 20,738	$ 7,211	$ 9,666

[1] Contributions comprise externally restricted amounts for equipment, programs, research and education.

Note 26 Related Parties (continued)

(b) Foundations (continued)

Amounts related to administrative support provided to foundations and the accounts receivable from (payable to) the foundations at year-end are as follows:

	Administrative Support		Accounts Receivable (Payable)	
	2000	1999	2000	1999
	(thousands of dollars)			
University Hospital Foundation	$ 30	$ 30	$ (39)	$ 19
Royal Alexandra Hospital Foundation	-	200	-	-
Children's Health Foundation of Northern Alberta	-	-	2,455	874
Capital Care Foundation	149	216	147	(6)
Black Gold Health Foundation (formerly Leduc Health Foundation)	55	45	-	-
Glenrose Foundation	188	200	(188)	-
Sturgeon Community Hospital & Health Centre Foundation	60	75	(58)	(58)
Strathcona Health Care Foundation	-	-	-	40
	$ 482	$ 766	$ 2,317	$ 869

Note 26 Related Parties (continued)

(c) Other Voluntary Organizations

The Authority has an economic interest in the following organizations affiliated with the hospitals:

	Contributions Received		Resources Held by Other Voluntary Organizations		
			2000		
	2000	1999	Endowments & Externally Restricted	Internally Restricted	Unrestricted
	(thousands of dollars)				
The Friends of University Hospital	$ 300	$ 200	$ 100	$ 50	$ 650
Royal Alexandra Hospital Women's Auxiliary	140	163	-	-	400
Sturgeon Healthcare Auxiliary Volunteer Association	-	45	-	-	128
Glenrose Rehabilitation Hospital Women's Auxiliary	-	32	-	-	10
	$ 440	$ 440	$ 100	$ 50	$ 1,188

(d) Contracted Health Service Operators

The Authority contracts with voluntary, private and community health service operators to provide acute and continuing care health services in the Region.

One of the major service providers within the region is the Caritas Health Group. A Cooperation Agreement, dated March 21, 1996, arising from the agreement between the Catholic Health Association of Alberta and the Minister of Health and Wellness dated December 20, 1994, describes the relationship between the Authority and the Caritas Health Group. These financial statements include, as supplementary information, financial information related to the Caritas Health Group. The consolidated statement of operations amounts include expenses of the Caritas Health Group to the extent of funding provided by the Authority plus approved patient or resident fees and charges and a fair value adjustment for the use of the Caritas Health Group's acute care facilities.

Note 26 Related Parties (continued)

(d) Contracted Health Service Operators (continued)

	2000					1999
	Direct Funding by the Authority	Direct Funding By Alberta Health and Wellness (Note 17)	Approved Patient Resident Fees and Charges	Full Cost Adjustments (Note 18)	Total	Total
	(thousands of dollars)					
Facility Name:						
Allen Gray Continuing Care Centre	$ 1,887	$ -	$ 523	$ -	$ 2,410	$ 2,320
Caritas Health Group	131,371	-	9,607	10,840	151,818	137,793
Central Park Lodge	6,226	-	2,233	-	8,459	8,059
Extendicare	6,828	192	2,580	-	9,600	8,734
Good Samaritan	21,073	307	6,105	-	27,485	26,420
Hardisty Nursing Home	3,578	-	1,722	-	5,300	5,193
Jubilee Lodge Nursing Home	4,045	399	1,518	-	5,962	5,781
Millwoods Shepherd's Care Centre	5,840	373	2,000	-	8,213	7,399
Salem Manor	2,688	283	990	-	3,961	3,743
Sherwood Park Care Centre	2,586	-	1,014	327	3,927	3,673
St. Joseph's Auxiliary Hospital	7,722	-	2,069	-	9,791	9,572
St. Michael's Long-Term Care Centre	4,855	480	1,448	-	6,783	6,486
Venta Nursing Home	2,286	251	834	-	3,371	3,355
Youville Nursing Home (St. Albert)	4,658	72	1,569	-	6,299	6,136
Physiotherapy providers	5,446	-	-	-	5,446	6,998
Homecare providers	21,668	-	-	-	21,668	19,676
Other	54,004	-	-	-	54,004	50,263
	$ 286,761	$ 2,357	$ 34,212	$ 11,167	$ 334,497	$ 311,601
Reported in the following expenses categories:						
Facility based continuing care services					$ 118,916	$ 111,440
Facility based inpatient acute services					63,977	55,525
Facility based emergency and outpatient services					17,345	17,239
Community and home based services					31,070	29,002
Diagnostic and therapeutic services					68,351	66,634
Research and education					1,344	1,021
Support services					26,953	24,516
Administration					6,541	6,224
					$ 334,497	$ 311,601

Note 27 **Province Wide Services**

Included in Alberta Health and Wellness contributions is funding to provide a small range of complex, high technology, high cost services (classified as Province Wide Services) on behalf of all Albertans. Information on costs and funding for these services, included in revenues and expenses, is as follows:

(thousands of dollars)

	Funding [1]	Costs [2]	Variance		Funding [1]	Costs [2]	Variance	
			$	%			$	%
Inpatient [3]	$ 68,209	$ 94,326	$ (26,117)	(38.3)	$ 64,852	$ 69,938	$ (5,086)	(7.8)
Clinic and home service [4]	31,179	38,477	(7,298)	(23.4)	24,202	30,066	(5,864)	(24.2)
High cost drugs [5]	16,204	12,650	3,554	21.9	14,026	11,651	2,375	16.9
Devices [6]	1,501	1,838	(337)	(22.5)	1,611	1,489	122	7.5
Tertiary services [7]	15,681	21,314	(5,633)	(35.9)	15,681	19,376	(3,695)	(23.5)
November 1999 Funding [1]	22,000	-	22,000	-	-	-	-	-
	$ 154,774	$ 168,605	$ (13,831)	(8.9)	$ 120,372	$ 132,520	$ (12,148)	(10.1)

(1) Funding provided by Alberta Health and Wellness does not include amortization of related external capital contributions. In November 1999 Alberta Health and Wellness provided one time funding of $22 million to supplement existing Province Wide Services funding. This funding was not allocated to specific services.

(2) Costs for inpatient and clinic and home service include an allocation of overhead and amortization of equipment.

(3) Inpatient services consist of cardiovascular, organ and bone marrow transplants, trauma and burns, neurosurgery, neonatology and gynecology and oncology procedures. Inpatient volumes funded were 4,772 (1999 – 4,189) cases while the actual volumes were 4,572 (1999 – 4,259) cases, a difference of 200 cases. Actual costs were based on the costing methodology adopted by Alberta Health and Wellness Costing Partnership Project. Inpatient costs are based on average case cost throughout the year. Patient activity is based on patient discharge date.

(4) Clinic and home service represents actual cost for programs such as renal and dialysis services, clinic, etc. excluding estimated costs for services to out-of-Province patients. Approximately four percent of the costs reflect the use of proxies where specific site based costing data was not available.

(5) High cost drugs represent actual costs for transplantation drugs, HIV drugs and other pre-established high cost drugs.

(6) Devices represent actual costs for cranioplasty, implantable cardiac defibrillators and cochlear implants.

Note 27 Province Wide Services (continued)

(7) Tertiary services relate to indirect costs relating to teaching and research. The amounts reported are based on a methodology developed by Province Wide Services Committee.

Note 28 Trust Funds

The Authority receives funds in trust from Alberta Infrastructure for non-owned facilities for capital purposes and facility repairs. These amounts are not reported in the consolidated financial statements.

During the year the Authority received $3,391,000 (1999 $1,400,000) and disbursed $3,540,000 (1999 $4,843,000) for capital and facility repairs for non-owned facilities. The balance of funds held by the Authority is $1,496,000 (1999 $1,645,000).

Note 29 Building Transfer to Alberta Infrastructure

During the year the Authority negotiated a transfer of ownership of the Patient Support Centre to Alberta Infrastructure. Land and building, which had been funded through government contributions, had a net book value of $5,613,999 at the transfer date. Title to the building was transferred April 1, 1999. An occupancy agreement is in place to permit the Authority to continue using the existing facilities until a new regional facility is in place. Unamortized external capital contributions and capital assets were reduced by $5,613,999 to reflect this transaction.

Note 30 Comparative Figures

Certain March 31, 1999 figures have been reclassified to conform to the March 31, 2000 presentation.

Note 31 Approval of Financial Statements

These financial statements have been approved by the Authority.

Schedule 1

CAPITAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
FOR YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
Salaries, benefits, allowances and severance (Schedule 2)	$ 558,382	$ 557,535	$ 517,663
Contracts with health service operators (Note 26)	327,500	334,497	311,601
Drugs, gases, medical and surgical supplies	97,257	98,053	87,960
Medical, consulting and other professional services	49,994	48,654	31,970
Year 2000 remedial operating costs	-	7,599	5,865
Other	150,094	150,771	150,096
Amortization:			
Capital equipment - internally funded	8,500	15,754	8,536
Capital equipment - externally funded	14,999	14,726	10,358
Facilities and improvements	20,001	20,882	21,380
	1,226,727	1,248,471	1,145,429
Less amounts reported in ancillary operations (Note 19)	(19,349)	(22,407)	(19,759)
	$ 1,207,378	$ 1,226,064	$ 1,125,670

Schedule 2

CAPITAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

		2000							1999			
						Severance						
		Number of Individuals[1]	Salaries and Honoraria [2]	Benefits and Allowances[3]	Sub-total	Number of Individuals	Amount	Total	Number of Individuals[1]	Salaries, Benefits, Honoraria[2, 3]	Severance	Total
Board Compensation												
Chairperson												
Wilkinson, Neil		1	$ 59	-	$ 59	-	-	$ 59	1	$ 58	-	$ 58
Board Members												
Current Members												
Bell, Dean	-	1	10	-	10	-	-	10	1	12	-	12
Bidlock, Peter		1	13	-	13	-	-	13	1	16	-	16
Blumenthal, Leonard	From October 1, 1998	1	15	-	15	-	-	15	1	9	-	9
Burch, Bill	From October 1, 1998	1	9	-	9	-	-	9	1	3	-	3
Hook, David		1	6	-	6	-	-	6	1	11	-	11
Huntley, Andrew		1	6	-	6	-	-	6	1	11	-	11
Kinasewich, Robert	From October 1, 1998	1	7	-	7	-	-	7	1	6	-	6
Mabbott, Linda		1	18	-	18	-		18	1	18	-	18
Martel, Dan	From October 1, 1998	1	3	-	3	-	-	3	1	5	-	5
Mondor, Al	From October 1, 1998	1	3	-	3	-	-	3	1	2	-	2
Plan, Margaret		1	9	-	9	-	-	9	1	9	-	9
Pelowich, Karen M		1	15	-	15	-	-	15	1	14	-	14
Ramsey, John C		1	-	-	-	-	-	-	1	-	-	-
Young, Leslie		1	7	-	7	-	-	7	1	8	-	8
Previous Members												
Buddle, Harry	To September, 1998	-	-	-	-	-	-	-	1	3	-	3
Chomey, Jack	To September, 1998	-	-	-	-	-	-	-	1	7	-	7
Kane, Marilyn A	To September, 1998	-	-	-	-	-	-	-	1	6	-	6
Lowes, Roy	To September, 1998	-	-	-	-	-	-	-	1	2	-	2
Rolingher, Solomon J	To September, 1998	-	-	-	-	-	-	-	1	5	-	5
Total honoraria		15	$ 180	-	$ 180	-	-	$ 180	20	$ 205	-	$ 205

Schedule 2 (continued)

CAPITAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000							1999			
					Severance						
	Number of Individuals[1]	Salaries and Honoraria[2]	Benefits and Allowances[3]	Sub-total	Number of Individuals	Amount	Total	Number of Individuals[1]	Salaries, Benefits, Honoraria[2,3]	Severance	Total
Staff											
Chief Executive Officer	1.00	$ 242	$ 49	$ 291	-	-	$ 291	1.00	$ 283	-	$ 283
Management persons reporting to the CEO											
Vice Presidents and Operating Officers											
Chief Clinical Officer	1.00	232	27	259	-	-	259	1.00	256	-	256
Chief Planning Officer	1.00	123	16	139	-	-	139	1.00	136	-	136
Communication and Government Relations	-	-	-	-	-	-	-	0.20	23	105	128
Community Care & Public Health	1.00	181	23	204	-	-	204	1.00	186	-	186
Finance & Administration	1.00	172	21	193	-	-	193	1.00	183	-	183
Human Resources	1.00	159	19	178	-	-	178	1.00	172	-	172
Public Affairs	1.00	140	13	153	-	-	153	0.16	26	-	26
Regional Support & Acting Senior Operating Officer											
Royal Alexandra Hospital	1.00	158	20	178	-	-	178	1.00	152	-	152
Academic Affairs	1.00	157	12	169	-	-	169	0.93	154	-	154
University of Alberta Hospital	1.00	167	14	181	-	-	181	0.85	149	-	149

Schedule 2 (continued)

CAPITAL HEALTH AUTHORITY
CONSOLIDATED SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000							1999			
					Severance						
	Number of Individuals[1]	Salaries and Honoraria[2]	Benefits and Allowances[3]	Sub-total	Number of Individuals	Amount	Total	Number of Individuals[1]	Salaries, Benefits, Honoraria[2,3]	Severance	Total
Other management person(s) reporting to those above (avg. 2000 $87, avg. 1999 $81) (excluding severance)	89	$ 6,893	$ 833	$ 7,726	3	$ 260	$ 7,986	77	$ 6,216	$ 641	$ 6,857
Other management person(s) reporting to those above (avg. 2000 $65, avg. 1999 $64) (excluding severance)	455	25,788	3,687	29,475	26	1,262	30,737	421	27,114	278	27,392
Medical doctors not included above (avg. 2000 $128, avg. 1999 $115) (excluding severance)	28	3,298	282	3,580	-	-	3,580	29	3,321	-	3,321
Regulated nurses not included above (avg. 2000 $56, avg. 1999 $54) (excluding severance)	4,092	202,606	26,400	229,006	12	232	229,238	4,029	217,303	103	217,406
Other health technical and professionals (avg. 2000 $57, avg. 1999 $55) (excluding severance)	1,734	86,704	12,202	98,906	3	64	98,970	1,636	90,224	79	90,303
Unregulated health service providers (avg. 2000 $30, avg. 1999 $27) (excluding severance)	1,093	28,305	4,425	32,730	5	54	32,784	1,066	28,707	-	28,707
Other staff (avg. 2000 $37, avg. 1999 $36) (excluding severance)	4,242	135,851	19,184	155,035	19	320	155,355	3,981	141,483	121	141,604
Pension obligation adjustment	-	-	-	-	-	-	(3,240)	-	-	-	43
Capital Health Authority Total	11,758.00	$ 491,356	$ 67,227	$ 558,583	68	$ 2,192	$ 557,535	11,268.14	$ 516,293	$ 1,327	$ 517,663
Caritas Health Group Total	2,390.90	$ 99,149	$ 15,036	$ 114,185	5	$ 387	$ 114,572	2,218.70	$ 102,617	$ 405	$ 103,022
Total Capital Health Authority and Caritas Health Group	14,148.90	$ 590,505	$ 82,263	$ 672,768	73	$ 2,579	$ 672,107	13,486.84	$ 618,910	$ 1,732	$ 620,685

Schedule 2 (continued)

SCHEDULE OF SALARIES, BENEFITS, ALLOWANCES AND SEVERANCE

FOR THE YEAR ENDED MARCH 31, 2000

1. Full time equivalent (FTE) has been determined as follows:

   The average number of individuals is calculated based on a weighted average number of individuals occupying a category or position for the year based on a standard work year of 2,023 hours, except for named individuals.

   Total actual discrete number of individuals employed: 11,758 (1999 11,268.)

2. Salaries include regular base pay, overtime, lumpsum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

3. Benefits and allowances include the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

4. Severance expenses include amounts paid in lieu of notice and certain other severance related costs. Numbers of staff reported under the severance category are the discrete numbers of people receiving severance.

5. The average salary and benefits amounts exclude severance payments.

6. 1999 amounts have been updated to include any retro payments in 2000.

Schedule 3

CAPITAL HEALTH AUTHORITY
CONSOLIDATED SUMMARY OF REVENUE AND EXPENSE
FOR THE THREE YEAR PERIOD

(thousands of dollars)

	Actual			Pro-forma[1]		
	2000	1999	1998	2000	1999	1998
Revenue:						
Alberta Health and Wellness contributions	$ 1,100,000	$ 950,786	$ 880,784	$1,100,000	$ 951,286	$ 900,259
Other government contributions	12,780	11,401	12,811	12,780	11,401	13,332
Fees and charges	90,668	85,989	80,409	90,668	85,989	82,367
Ancillary operations, net	3,432	2,882	2,931	3,432	2,882	2,943
Investment and other income	51,632	43,006	40,308	51,632	43,006	40,391
Amortization of external capital contributions	35,608	31,738	30,593	35,608	31,738	31,130
	$ 1,294,120	1,125,802	1,047,836	$1,294,120	1,126,302	1,070,422
Expense:						
Facility based inpatient acute care services	$ 330,934	314,545	287,148	$ 330,934	314,545	291,560
Facility based emergency and outpatient servic	96,893	87,230	78,052	96,893	87,230	78,891
Facility based continuing care services	174,760	162,223	152,660	174,760	162,223	159,078
Community and home based services	64,183	59,783	53,172	64,183	60,283	55,852
Diagnostic and therapeutic services	233,872	208,689	180,953	233,872	208,689	183,890
Promotion, prevention and protection services	32,499	27,438	26,482	32,499	27,438	27,113
Research and education	63,264	52,552	47,159	63,264	52,552	47,159
Administration	36,175	35,146	47,236	36,175	35,146	48,670
Information technology and alberta we//net	22,351	15,876	-	22,351	15,876	-
Support services	143,595	135,886	122,828	143,595	135,886	125,311
Year 2000 remedial costs	7,599	5,865	-	7,599	5,865	-
Amortization of facilities and improvements	19,939	20,437	20,215	19,939	20,437	20,662
	$ 1,226,064	1,125,670	1,015,905	$1,226,064	1,126,170	1,038,186
Excess of revenue over expense	$ 68,056	$ 132	$ 31,931	$ 68,056	$ 132	$ 32,236

[1] Alberta Health and Wellness transferred responsibility for certain programs to the Authority at various dates. "Pro-forma" amounts are presented on the basis as if the program transfers occurred on April 1, 1996. In order to disclose the costs of health services provided in the region, transactions incurred by Alberta Health and Wellness for the Programs transferred have been combined with the transactions of the Authority and reported as pro-forma amounts.

Schedule 3 (continued)

CAPITAL HEALTH AUTHORITY
CONSOLIDATED SUMMARY OF REVENUE AND EXPENSE
FOR THE THREE YEAR PERIOD
(thousands of dollars)

	Revenue			Expenses		
	2000	1999	1998	2000	1999	1998
Actual amounts reported	$1,294,120	$1,125,802	$ 1,047,836	$1,235,064	$ 1,125,670	$ 1,015,905
Program transfers where amounts previously paid by others are now the responsibility of the Authority:						
Strathcona County Care Centre	-	-	-	-	-	-
Sherwood Park Care Centre	-	-	-	-	-	-
Strathcona County Public Health Services	-	-	-	-	-	-
Sexually Transmitted Disease Clinic	-	-	-	-	-	-
Edmonton Brain Injury Relearning Centre	-	-	-	-	-	-
Private Clinics	-	-	-	-	-	-
Physicians Alternate Payment Programs	-	500	3,311	-	500	3,311
County of Leduc transfers	-	-	19,275	-	-	18,970
Pro-forma amounts	$1,294,120	$1,126,302	$ 1,070,422	$1,235,064	$ 1,126,170	$ 1,038,186

Aspen Regional Health Authority

Financial Statements

March 31, 2000

ASPEN REGIONAL HEALTH AUTHORITY #11
FINANCIAL STATEMENTS
MARCH 31, 2000

(thousands of dollars)

Statement of Management Responsibility

Statement of Financial Position

Statement of Operations

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Schedule 3 – Three Year Summary of Revenue and Expenses

PRICEWATERHOUSECOOPERS

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June 2, 2000

Auditors' Report

To the Members of
Aspen Regional Health Authority #11 and the Minister of Alberta Health

We have audited the statement of financial position of Aspen Regional Health Authority #11 ("the Authority") as at March 31, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Further, we have made an examination to determine if the Authority has complied with Financial Directive 16 issued by Alberta Health and Wellness. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances. In our opinion, the Authority has, in all significant respects, complied with Financial Directive 16.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization

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ASPEN REGIONAL HEALTH AUTHORITY #11
MANAGEMENT'S RESPONSIBIIITY FOR FINANCIAL REPORTING
FINANCIAL STATEMENTS
MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Finance Committee. This Committee meets with management and the external auditor, PricewaterhouseCoopers LLP to discuss and review financial matters, and recommends the financial statements to the Aspen Health Authority Board for approval. The external auditor has full and free access to the Finance Committee.

The external auditor, PricewaterhouseCoopers LLP, provides an independent audit of the financial statements. Their examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Chief Executive Officer

Chief Financial Officer

ASPEN REGIONAL HEALTH AUTHORITY #11
STATEMENT OF FINANCIAL POSITION
March 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 3)	9,707	6,747
Accounts receivable	644	557
Contributions receivable	895	0
Inventories	592	603
Prepaid expenses	373	206
	12,211	8,113
Non-current cash and investments (Note 4)	8,305	7,822
Capital assets (Note 5)	53,282	54,219
TOTAL ASSETS	73,798	70,154
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable & accrued liabilities	3,167	3,344
Accrued vacation pay	2,766	2,483
Deferred contributions (Note 6)	2,408	1,361
	8,341	7,188
Deferred capital contributions (Note 7)	1,854	835
Pension plan obligation (Note 8)	133	249
Unamortized external capital contributions (Note 9)	48,330	49,836
	58,658	58,108
Net assets:		
Unrestricted (Note 10)	2,771	4,746
Internally restricted (Note 11)	7,417	2,917
Investment in capital assets	4,952	4,383
	15,140	12,046
TOTAL LIABILITIES AND NET ASSETS	73,798	70,154

The accompanying notes and schedules are part of these financial statements.

ASPEN REGIONAL HEALTH AUTHORITY #11
STATEMENT OF OPERATIONS
March 31, 2000
(thousands of dollars)

	Budget (Note 12)	2000	1999
Revenues			
Alberta Health and Wellness contributions (Note 13)	53,075	53,131	46,648
Other government contributions (Note 14)	921	1,774	1,661
Fees and charges	4,988	5,195	4,822
Ancillary operations, net (Note 15)	(100)	(27)	(114)
Donations	200	241	217
Investment and other income (Note 16)	1,003	1,868	1,201
Amortization of external capital contributions (Note 9)	3,121	2,956	3,102
	63,208	65,138	57,537
Expenses (Schedule 1)			
Facility-based inpatient acute services	8,995	8,713	8,695
Facility-based emergency and outpatient services	3,239	3,496	3,144
Facility-based continuing care services	10,519	10,307	9,377
Community and home based services	5,324	5,445	5,024
Diagnostic and therapeutic services	9,536	9,855	9,046
Promotion, prevention and protection services	2,749	2,851	2,596
Administration (Note 17)	4,093	3,930	4,035
Information technology and we/net (Note 18)	446	420	292
Y2K remedial costs (Note 19)	0	807	799
Support services (Note 20)	12,712	13,964	12,742
Amortization of facilities and improvements	1,966	2,236	1,954
	59,579	62,024	57,704
Excess (deficiency) of revenues over expenses	3,629	3,114	(167)

ASPEN REGIONAL HEALTH AUTHORITY #11
STATEMENT OF CHANGES IN NET ASSETS
March 31, 2000
(thousands of dollars)

	2000				1999
	Operating				
	Unrestricted (Note 10)	Internally Restricted (Note 11)	Invested in Capital Assets	Total	Total
Excess (deficiency) of revenue over expense	3,114			3,114	(167)
Capital assets purchased with internal funds	(1,189)		1,189	0	0
Amortization on internally funded capital assets	620		(620)	0	0
Capital assets purchased with donated funds	(20)			(20)	(37)
Net change to unrestricted net assets	2,525				
Transfer to internally restricted	(4,500)	4,500			
Balance at beginning of year	4,746	2,917	4,383	12,046	12,250
Balance at end of year	2,771	7,417	4,952	15,140	12,046

ASPEN REGIONAL HEALTH AUTHORITY #11
STATEMENT OF CASH FLOWS
March 31, 2000
(thousands of dollars)

	Budget	2000	1999
Cash generated from (used by):			
Operating activities			
Excess(deficiency) of revenue over expense	3,629	3,114	(167)
Non-cash transactions:			
Decrease in unfunded pension obligations	0	(116)	(20)
Amortization of capital equipment - internally funded	458	596	458
- externally funded	1,170	743	1,170
Amortization of facilities and improvement: - internally funded	16	24	16
- externally funded	1,951	2,224	1,951
Amortization of external capital contributions	(3,121)	(2,967)	(3,121)
Loss (gain) on disposal of investments	0	(31)	164
	4,103	3,587	451
Change in non-cash working capital account (Note 21)	(1,361)	15	945
Cash generated by operations	2,742	3,602	1,396
Investing activities			
Purchase of investments	(11,000)	(14,876)	(11,533)
Purchase of capital assets:			
internally funded - equipment	(850)	(1,167)	(921)
- facilities & improvements	0	(22)	(205)
externally funded - equipment (note 9)	(850)	(525)	(237)
- facilities & improvements (note 9)	0	(936)	(1,956)
Proceeds on sale of investments	11,000	14,424	11,183
Cash used by investing activities	(1,700)	(3,102)	(3,669)
Financing activities			
Capital contributions received (Note 7)	850	2,460	1,112
Cash generated by financing activities	850	2,460	1,112
Increase(decrease) in cash and temporary investments	1,892	2,960	(1,161)
Cash and temporary investments, beginning of year	6,747	6,747	7,908
Cash and temporary investments, end of year	8,639	9,707	6,747

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000
(thousands of dollars)

1. Authority, purpose and operations

The Aspen Regional Health Authority #11 ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, and Statutes of Alberta, 1994. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for delivering appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental wellbeing.

The operations of the Authority include the following facilities and sites:

Athabasca Healthcare Centre
Barrhead Healthcare Centre
Boyle Healthcare Centre
Fox Creek Healthcare Centre
Mayerthorpe Healthcare Centre
Swan Hills Healthcare Centre
Westlock Healthcare Centre
Westlock Long Term Care Centre
Whitecourt Healthcare Centre
Aspen Health Services
RHA Central Administration

These financial statements do not include the assets, liabilities and operations of any voluntary or private facilities providing health services in the region. Information on these facilities is disclosed in note 22.

2. Significant accounting policies and reporting practices

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. Following are the significant accounting policies:

(a) Basis of Presentation

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable.

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

2. Significant accounting policies and reporting practices (continued)

(a) Basis of Presentation (continued)

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services is recorded. Fair value transactions as recorded consist of the following:

(i) Revenues earned by contract health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

2. **Significant accounting policies and reporting practices (continued)**

(b) Full cost (continued)

(ii) Payments from Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenues and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(iv) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on unfunded liabilities; amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of change in the ratio used to allocate the plans' total unfunded liability to participating employers.

2. **Significant accounting policies and reporting practices (continued)**

(d) Investments

Temporary investments are recorded at lower of cost and market.

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realized on disposal are recognized in the period of disposal.

Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial Instruments

The carrying value of accounts receivable, contributions receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items.

(f) Inventories

Inventories are valued at the lower of cost or net realizable value.

(g) Capital Assets

Capital assets and construction projects in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Land improvements	5 - 20 years
Buildings	20 - 40 years
Building service equipment	5 - 20 years
Equipment	3 - 15 years

Construction projects in progress are not amortized until the project is complete.

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

2. **Significant accounting policies and reporting practices (continued)**

(h) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If actual costs are unknown at the time of the decision, then an estimate is recorded.

(i) Trust Funds Received by the Authority for Non-owned Facilities

The Authority receives trust funds from Alberta Infrastructure that are to be paid to operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in these financial statements but are disclosed in note 23.

3. **Cash and temporary investments**

	2000	1999
	(thousands of dollars)	
Cash	9,435	5,459
Guaranteed investment certificates	272	1,288
	9,707	6,747

Treasury bills and guaranteed investment certificates mature at various dates through April 2000 and February 2001 and bear interest at an average of 4.72% paid annually. The effective yield on these securities based on the carrying value at March 31, 2000 is 4.72%.

Cash includes CCITF funds of $2,592 (1999 - $995) to be used for capital upgrading projects.

4. **Non-current cash and investments**

	2000	1999
	(thousands of dollars)	
Equities	2,326	2,435
Fixed Income	5,979	5,387
Fair Value	8,305	7,822

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

4. **Non-current cash and investments (continued)**

(a) Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from failure by another party to perform according to terms of the contract. Price risk comprises interest rate risk and market risk. Interest rate risk relates to the possibility that investments will change in value with future fluctuations in market interest rates. Market risk relates to the possibility that investments will change in value due to future fluctuations in market prices.

To earn optimal financial returns at an acceptable level of risk, management has established a policy asset mix such that no more than 40% of the portfolio will be in equity securities. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed-income and equity instruments.

(b) Publicly traded fixed-income instruments are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints on the portfolio by management of portfolio duration and issuer mix.

Fixed-income securities have an average effective yield of 6.36% for securities maturing between two and nineteen years. As at March 31, 2000, the securities have the following term structure based on par:

	%
Under 1 year	0%
1 to 5 years	49%
5 to 10 years	36%
Over 10 years	15%

(c) Equities comprise publicly traded equities. Risk is reduced by prudent security selection and sector rotation.

Non-current cash and investments represent the following:

	2000	1999
	(thousands of dollars)	
Internally restricted for capital purposes	7,417	2,917
Unrestricted long-term investments	888	4,905
	8,305	7,822

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

5. Capital assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Land	1,837		1,837	1,837
Land improvements	2,029	1,561	468	583
Buildings	67,487	25,750	41,737	43,667
Building service equipment	2,109	1,143	966	1,148
Equipment	15,157	9,882	5,275	4,921
Construction in progress	2,999		2,999	2,063
	91,618	38,336	53,282	54,219

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	48,330	49,836
Internally funded (invested in capital assets)	4,952	4,383
	53,282	54,219

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

6. Deferred contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions	1,580	0
Other government contributions	925	213
Investments (Note 16)	21	52
Other revenue	90	67
Amounts recognized as revenue:		
Other government contributions		
Alberta Health and Wellness Y2K Funding	(807)	(799)
Alberta Infrastructure	(346)	(312)
Transfer to Deferred Capital Contributions	(334)	(201)
Investment and other revenue	(82)	(63)
Change during the year	1,047	(1,043)
Balance, beginning of year	1,361	2,404
	2,408	1,361

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
	(thousands of dollars)	
Current:		
Alberta Health and Wellness - Healthy Aging Partnership Initiative	683	0
Alberta Health and Wellness - Health Innovation Projects	897	0
Alberta Infrastructure - Operating Projects	738	160
Long-term care fees received in advance	60	68
Other Projects	30	14
Alberta Health and Wellness - Y2K Funding	0	1,119
	2,408	1,361

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

7. Deferred capital contributions

The deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in note 2a (iii).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted Alberta Health and Wellness contributions	156	0
Restricted other government contributions	1,970	911
Y2K Funding restricted for capital purposes	334	201
Donations restricted for capital purposes	20	36
	2,480	1,148
Transferred to:		
Unamortized external capital contributions (Note 9)	(1,461)	(2,193)
Change during the year	1,019	(1,045)
Balance, beginning of year	835	1,880
Balance, end of year	1,854	835

Balance at the end of the year is restricted for the following purposes:

Betterment of capital assets	1,854	835
	1,854	835

8. Pension plan obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

8. Pension plan obligation (continued)

The Public Sector Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan that will be funded by employers.

The liability of the Local Authorities Pension Plan and the Public Service Pension is to be eliminated by December 31, 2036 through additional contributions by the participating employers, employees and the Crown.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	99	83
Public Service Pension Plan	34	166
	133	249

The decrease in pension plan obligation has been presented as follows:

	2000	1999
	(thousands of dollars)	
Allocated to programs	116	20
	116	20

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

9. Unamortized external capital contribution

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy in note 2a (iii). The balance at end of year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	49,836	50,764
Add amounts transferred from deferred capital contributions (Note 7)	1,461	2,193
Less amounts recognized as revenue	(2,956)	(3,102)
Less amounts recognized as revenue and reported in ancillary operations (Note 15)	(11)	(19)
	48,330	49,836

10. Unrestricted and Internally restricted net assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	3,038	3,038
Changes since regionalization:		
Cumulative operating surplus (deficit)	9,515	6,401
Invested in capital assets (net of amortization)	(2,244)	(1,675)
Capital assets purchased with donated funds	(121)	(101)
Balance	10,188	7,663
Unrestricted	2,771	4,746
Internally restricted	7,417	2,917
	10,188	7,663

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

11. Internally restricted net assets

The Authority has internally restricted the following amounts for:

	2000	1999
	(thousands of dollars)	
Future capital expenditures	7,417	2,917
	7,417	2,917

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

12. **Budget**

	Approved Budget (1)	Additional Funding (2)	Adjustments	Reported Budget
		(thousands of dollars)		
Revenue:				
Alberta Health and Wellness contributions	49,773	3,302		53,075
Other government contributions	921			921
Fees and charges	4,988			4,988
Net ancillary operations	(100)			(100)
Donations	200			200
Investment and other revenue	1,003			1,003
Amortization of deferred capital contributions	3,121			3,121
	59,906	3,302	0	63,208
Expenses:				
Facility-based inpatient services	8,995			8,995
Facility-based emergency and outpatient services	3,239			3,239
Facility-based continuing care services	10,201	318		10,519
Community and home based services	5,324			5,324
Diagnostic and therapeutic services	9,536			9,536
Promotion, prevention and protection services	2,749			2,749
Administration	4,093			4,093
Information technology and wellnet	446			446
Y2K remedial costs	0			0
Support services	12,712			12,712
Amortization of facilities and improvements	1,966			1,966
	59,261	318	0	59,579
Excess(deficiency) of revenue over expense	645	2,984	0	3,629

(1) The budget was approved by the Board of the Authority on March 25, 1999 and approved by the Minister of Health and Wellness.

(2) On November 15 and 19, 1999 the Minister of Health and Wellness provided additional funding. These additional resources were allocated by the Board to address funding expectations.

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

13. **Alberta Health and Wellness contributions**

	Budget	2000	1999
		(thousands of dollars)	
Unrestricted contributions	52,725	52,781	46,298
Restricted contributions made directly by Alberta Health and Wellness to contracted health service operators	350	350	350
	53,075	53,131	46,648

14. **Other government contributions**

	Budget	2000	1999
		(thousands of dollars)	
Alberta Infrastructure - operating projects	337	346	312
Alberta Health and Wellness Y2K Funding	0	807	799
Fair value of rent less rent charges for non-acute care facilities used by the Authority	234	237	234
Funding for special programs provided by:			
Alberta Mental Health Board	350	384	302
Federal Government	0	0	14
	921	1,774	1,661

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

15. Ancillary operations

	2000				1999
	Budget	Non-patient Food Service Operations	Other	Total	Total
			(thousands of dollars)		
Revenue					
Revenue	418	398	83	481	418
Amortization of deferred capital contributions	18	11		11	18
	436	409	83	492	436
Expenses					
Other expenses	518	484	19	503	532
Amortization	18	16		16	18
	536	500	19	519	550
Excess (deficiency) of revenue over direct expenses 1999-00	(100)	(91)	64	(27)	(114)
Excess (deficiency) of revenue over direct expenses 1998-99	(113)	(132)	18	(114)	(114)

16. Investment and other income

	Budget	2000	1999
		(thousands of dollars)	
Other unrestricted investment income	500	757	678
Less: investment income subject to restrictions and transferred to deferred contributions (Note 6)		(21)	(52)
Other income	503	1,132	575
	1,003	1,868	1,201

Investment income comprises interest, dividends, amortization of discount and premiums, and net gains on disposals of investments.

Other income comprises recoveries from sources external to the Health Authority for salary and supplies, WCB compensation, laundry recoveries and other miscellaneous revenues.

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

17. Administration

	Budget	2000	1999
		(thousands of dollars)	
General administration	2,265	2,178	2,514
Finance	1,103	1,037	970
Personnel	222	198	130
Administration - contract operators	503	517	421
	4,093	3,930	4,035

18. Information technology and alberta we//net

	Budget	2000	1999
		(thousands of dollars)	
alberta we//net	240	64	227
Information systems support	206	356	65
	446	420	292

alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or to develop applications to support we//net initiatives. In accordance with Generally Accepted Accounting Principles, $177 have been capitalized and $64 have been expensed.

19. Y2K remedial costs

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

20. Support services

	Budget	2000	1999
		(thousands of dollars)	
Building maintenance, operations and security	3,136	4,280	3,840
Education	182	124	114
Housekeeping	1,655	1,567	1,492
Laundry and Linen	759	737	730
Materials management	823	866	791
Patient food services	2,799	2,761	2,662
Patient health records	821	803	779
Patient registration	606	627	554
Patient transportation	756	901	766
Support services - contract operators	1,175	1,298	1,014
	12,712	13,964	12,742

21. Changes in non-cash working capital accounts

	2000	1999
	(thousands of dollars)	
Accounts receivable	(87)	2,011
Contributions receivable	(895)	0
Inventories	11	(28)
Prepaid expenses	(167)	(78)
Accounts Payable	(177)	(84)
Accrued vacation pay	283	168
Current portion of deferred contributions	1,047	(1,044)
	15	945

22. Related parties

(a) Provincial Government

The Authority is established under the Regional Health Authorities Act. The Minister of Health appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the statement of operations and notes 6, 7, 12 and 13 to the financial statements.

(b) Contracted Health Service Operators

The Authority contracts with private health operators to provide health services in the Region. The health service operators and the amount of the contracted health services in the year are as follows:

	2000				1999
	Direct Authority Funding	Approval Patient Fees and Charges	Full Cost Adjustments	Total	Total
			(thousands of dollars)		
Extendicare - Athabasca	1,408	492	172	2,072	2,009
Extendicare - Mayerthorpe	1,492	476	178	2,146	1,980
Guardian Foundation - Aspen House	525	207		732	0
	3,425	1,175	350	4,950	3,989

Reported in the following expense categories

	2000	1999
Facility based continuing care services	2,674	2,263
Community and home based services	52	0
Diagnostic and therapeutic services	409	291
Support Services	1,298	1,014
Administration	517	421
	4,950	3,989

ASPEN REGIONAL HEALTH AUTHORITY #11
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2000
(thousands of dollars)

23. Trust funds

The authority receives funds in trust from Alberta Infrastructure for non-owned facilities for capital purposes and facility repairs. These amounts are not reported in these financial statements.

At the beginning of the year, the Authority held $140 and disbursed $120 for capital and facility repairs for non-owned facilities. The balance of $20 is held by the Authority. At the beginning of the year, the Authority held $11 for the audiology equipment program. The Authority disbursed $7 during the year and the balance of $4 is held by the Authority.

24. Comparative figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

25. Approval of financial statements

These financial statements have been approved by the Authority.

Schedule 1

ASPEN REGIONAL HEALTH AUTHORITY #11
SCHEDULE OF EXPENSES BY OBJECT
March 31, 2000
(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	38,975	39,478	37,032
Contracts with health service operators (Note 22)	4,833	4,950	3,989
Drugs, gases, medical and surgical supplies	2,159	2,147	1,977
Consulting services	1,090	904	896
Other	9,491	11,477	10,793
Amortization:			
Equipment	1,601	1,339	1,601
Facilities and improvements	1,966	2,248	1,966
	60,115	62,543	58,254
Less amounts reported in ancillary operations (Note 15)	(536)	(519)	(550)
	59,579	62,024	57,704

Schedule 2

ASPEN REGIONAL HEALTH AUTHORITY #11
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
MARCH 31, 2000
(thousands of dollars)

	2000							1999			
					Severance						
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Sub-total	Number of Individuals	Amount	Total	Number of Individuals (1)	Salaries Benefits Honoraria (2)	Severance	Total
Authority/Board Compensation											
RHA Chairperson - Robert Jackson		18		18			18		23		23
Ted Code		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Jane Conrad		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Jean De Champlain		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Dorothy Greenwood		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Dale Johnson		[illegible]		[illegible]			[illegible]				
Raymond Kelly		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Judy Kidd		[illegible]		[illegible]			[illegible]				
William Kostiw		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Robert Lee		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Robert Merrifield		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Shirley Morie		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Gary Pollock		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Ross Quinn		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Doris Splane		[illegible]		[illegible]			[illegible]		[illegible]		[illegible]
Total honoraria		85		85			85		85		85
Staff											
Chief Executive Officer	1.1	126	18	144			144	1.0	126		126
Medical Officer(s) or other management person(s) directly reporting to the Chairperson or RHA members (by position)											
Chief of Medical Staff		12		12			12		12		12
Medical Officer of Health	0.6	84		84			84	0.6	84		84
Management person(s) reporting to the CEO											
Area Program Managers	3.8	376	35	411			411	5.0	415		415
Chief Financial Officer	1.0	70	10	80			80	1.1	81		81
Other management person(s) reporting to those above (avg. 2000 $68,516; avg. 1999 $64,992) (excluding severence)	19.6	1,175	170	1,345			1,345	17.6	1,141		1,141
Regulated nurses not included above (avg. 2000 $50,358; avg. 1999 $48,633) (excluding severence)	318.4	14,039	1,994	16,033			16,033	316.8	15,113		15,113
Other health technical and professionals (avg. 2000 $53,733; avg. 1999 $49,126) (excluding severence)	127.8	6,012	855	6,867			6,867	121.3	5,959		5,959
Unregulated health service providers (avg. 2000 $27,233; avg. 1999 $27,511) (excluding severence)	161.5	3,873	525	4,398			4,398	161.3	4,438		4,438
Other staff (avg. 2000 $31,871; avg. 1999 $31,319) (excluding severence)	316.8	8,819	1,278	10,097	2.6	38	10,135	306.5	9,598		9,598
Pension obligation adjustment			(116)	(116)			(116)		(20)		(20)
	951.6	34,671	4,769	39,440	2.6	38	39,478	922.2	37,032		37,032

SCHEDULE 2 (CONTINUED)

ASPEN REGIONAL HEALTH AUTHORITY #11
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCES
MARCH 31, 2000
(thousands of dollars)

(1) The average number of individuals is calculated based on a weighted average number of individuals occupying a category or position for the year based on a standard work year. The standard year is 2,022.75 hours for all employees except those who are part of the United Nurses of Alberta employment contract where a year is based on 1,950 hours and employees of Aspen Health Services where a year is based on 1,920.75 hours.

Total actual discrete number of individuals employed: 2000 – 1,380; 1999 – 1,347.

(2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances include the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance and workers compensation.

(4) Severance includes all monies paid directly or on behalf of an employee upon termination which are not included in salaries and benefits.

(5) The total amount is reported in the following schedules:

Note 15 – Ancillary Operations $297

Schedule 1 – Expenses by Object $39,478

Schedule 3

ASPEN REGIONAL HEALTH AUTHORITY #11
THREE YEAR SUMMARY OF REVENUE AND EXPENSES

(thousands of dollars)

	Actual		
	2000	1999	1998
Revenues:			
Alberta Health contributions	53,131	46,648	44,612
Other government contributions	1,774	1,661	847
Fees and charges	5,195	4,822	4,672
Ancillary operations, net	(27)	(114)	(113)
Donations	241	217	323
Investment and other income	1,868	1,201	1,351
Amortization of external capital contributions	2,956	3,102	2,514
	65,138	57,537	54,206
Expenses:			
Facility based inpatient acute services	8,713	8,695	8,123
Facility based emergency and outpatient services	3,496	3,144	2,640
Facility based continuing care services	10,307	9,377	9,155
Community and home based services	5,445	5,024	4,676
Diagnostic and therapeutic services	9,855	9,046	8,274
Promotion, prevention and protection services	2,851	2,596	2,610
Administration	3,930	4,035	3,941
Information technology and we//net	420	292	585
Y2K remedial costs	807	799	
Support services	13,964	12,742	11,455
Amortization of facilities and improvements	2,236	1,954	1,734
	62,024	57,704	53,193
Excess(deficiency) of revenue over expense	3,114	(167)	1,013

Lakeland Regional Health Authority

Financial Statements

March 31, 2000

LAKELAND REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2000

Management's Responsibility for Financial Reporting

Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 - Three year Summary of Revenues and Expenses

LAKELAND
Regional Health Authority

Box 240, Smoky Lake, Alberta T0A 3C0 Phone: (780)656-2030 Fax: (780)656-2033

LAKELAND REGIONAL HEALTH AUTHORITY
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
FINANCIAL STATEMENTS
MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising of written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Finance Committee. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Lakeland Regional Health Authority Board for approval. The external auditor has full and free access to the Finance Committee.

The Auditor General of Alberta provides an independent audit of the financial statements. The examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Pearl Babiuk
Pearl Babiuk
Chief Executive Officer

C. Campton
Celine Campton
Corporate Finance Officer

AUDITOR GENERAL
Alberta

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members Lakeland Regional Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the Lakeland Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

LAKELAND REGIONAL HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash (Note 3)	$ 13,600	$ 11,173
Accounts receivable	637	710
Contributions receivable	1,061	-
Inventories	857	861
Prepaid expenses	337	106
	16,492	12,850
Non-current cash (Note 4)	1,671	1,168
Capital assets (Note 5)	63,135	65,021
	64,806	66,189
	$ 81,298	$ 79,039
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 5,861	$ 5,326
Accrued vacation pay	3,197	3,157
Deferred contributions (Note 6)	2,475	2,977
Current portion of long-term debt (Note 8)	1,290	69
	12,823	11,529
Deferred capital contributions (Note 7)	1,671	1,168
Long-term debt (Note 8)	85	1,375
Pension plan obligation (Note 9)	185	312
Unamortized external capital contributions (Note 10)	57,898	60,099
	59,839	62,954
Net Assets:		
Unrestricted (Note 11)	4,774	1,078
Investment in capital assets	3,862	3,478
	8,636	4,556
	$ 81,298	$ 79,039

Commitments (Note 12)

The accompanying notes and schedules are part of these financial statements.

LAKELAND REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 13)	Actual	Actual
Revenue:			
Alberta Health and Wellness contributions (Note 14)	$ 97,679	$ 96,917	$ 86,066
Other government contributions (Note 15)	2,413	2,454	2,227
Fees and charges	9,211	9,543	9,993
Ancillary operations, net (Note 16)	-	(35)	(79)
Donations	-	410	215
Investment and other income (Note 17)	1,120	1,694	1,140
Amortization of external capital contributions (Note 10)	4,595	4,653	3,993
	115,018	115,636	103,555
Expenses (Schedule 1):			
Facility based inpatient acute services	16,509	16,544	15,938
Facility based emergency and outpatient services	5,589	6,007	6,488
Facility based continuing care services	22,230	21,784	21,371
Community and home based services	7,796	7,945	7,455
Diagnostic and therapeutic services	17,772	18,333	17,387
Promotion, prevention and protection services	5,464	5,265	5,156
Education	-	-	382
Administration (Note 18)	5,675	5,707	7,473
Information technology and well/net (Note 19)	1,002	1,306	981
Y2K remedial costs (Note 20)	2,702	1,913	541
Support services (Note 21)	21,387	22,716	21,000
Amortization of facilities and improvements	4,229	4,036	3,646
	110,355	111,556	107,818
Excess (deficiency) of revenues over expenses	$ 4,663	$ 4,080	$ (4,263)

The accompanying notes and schedules are part of these financial statements.

LAKELAND REGIONAL HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000 Budget (Note 13)	2000 Actual	1999 Actual
Cash generated from (used by):			
Operating activities:			
Excess (deficiency) of revenues over expenses	$ 4,663	$ 4,080	$ (4,263)
Non-cash transactions:			
Amortization of capital assets - internally funded equipment	725	691	681
Amortization of capital assets - externally funded equipment	366	472	347
Amortization of capital assets - externally funded facilities & improvements	4,229	4,036	3,646
Amortization of external capital contributions	(4,595)	(4,653)	(3,993)
Loss on disposal of capital assets - externally funded	-	82	-
Loss (gain) on disposal of capital assets - internally funded	-	(2)	121
Decrease in unfunded pension obligation	-	(127)	(31)
	5,388	4,579	(3,492)
Change in non-cash working capital accounts (Note 23)	(4,483)	(1,142)	4,939
Cash generated (used) by operating activities	905	3,437	1,447
Investing activities:			
Purchase of capital assets:			
Internally funded equipment	(725)	(1,044)	(318)
Debt funded	-	-	(157)
Externally funded buildings (Note 7)	-	(790)	(773)
Externally funded equipment (Note 7)	(4,974)	(1,661)	(1,201)
Allocations to non-current cash	(451)	(503)	356
Proceeds on sale of capital assets	-	103	-
Cash used by investing activities	(6,150)	(3,895)	(2,093)
Financing activities:			
Capital contributions received (Note 7)	5,009	2,954	1,618
Principal payments on long-term debt	(69)	(69)	(48)
Proceeds of long-term debt	-	-	157
Cash generated from financing activities	4,940	2,885	1,727
Increase (decrease) in cash	(305)	2,427	1,081
Cash, beginning of year	11,173	11,173	10,092
Cash, end of year	$ 10,868	$ 13,600	$ 11,173

The accompanying notes and schedules are part of these financial statements.

LAKELAND REGIONAL HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000 Unrestricted	2000 Investment in Capital Assets	2000 Total	1999 Total
Excess (deficiency) of revenues over expenses	$ 4,080	$ -	$ 4,080	$ (4,263)
Capital assets purchased with internal funds	(1,044)	1,044	-	-
Amortization on internally funded capital assets	691	(691)	-	-
Disposal of interally funded capital assets	38	(38)	-	-
Repayment of long-term debt used to fund capital assets	(69)	69	-	-
Balance at beginning of year	1,078	3,478	4,556	8,819
Balance at end of year	$ 4,774	$ 3,862	$ 8,636	$ 4,556

The accompanying notes and schedules are part of these financial statements.

LAKELAND REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000
(thousands of dollars)

Note 1 Authority, Purpose and Operations

Lakeland Regional Health Authority (the "Authority") was established on June 24, 1994 under the Authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta, 1994. The Authority is a registered charity under the Income Tax Act and is exempt from payment of income tax.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

Hospital Services
Acute care services are provided at the following facilities:

- Cold Lake Health Centre
- Elk Point Health Centre
- Fort Saskatchewan Health Centre
- George McDougall Health Centre (Smoky Lake)
- Redwater Health Centre
- St. Therese Health Centre (St. Paul)
- Two Hills Health Centre
- William J. Cadzow Health Centre (Lac La Biche)
- Other voluntary facilities providing acute care services

Community Health Services
Community health services are provided through the community health component of the facilities listed above and at the following dedicated community health centres:

- Myrnam Health Centre
- Glendon Health Centre
- Our Lady's Health Centre, Vilna
- Other voluntary facilities providing community health services

Note 1 Authority, Purpose and Operations (continued)

Continuing Care (Long-Term Care)
Continuing care services are provided through the community health component of the Elk Point Health Centre, George McDougall Health Centre, Cold Lake Health Centre, St. Therese Health Centre, Two Hills Health Centre, William J. Cadzow Health Centre and at the following dedicated continuing care centres:

- Radway Health Centre
- Vegreville Long-Term Care Centre
- Other voluntary and private continuing care centres

Public Health
Public Health services are provided at the following health units:

- Andrew Health Unit (branch office)
- Bonnyville Health Unit
- Elizabeth Metis Settlement Health Unit (branch office)
- Elk Point Health Unit
- Fishing Lake Metis Settlement Health Unit (branch office)
- Fort Saskatchewan Health Unit
- Gibbons Health Unit (branch office)
- Glendon Health Unit (branch office)
- Grande Centre Health Unit
- Lac La Biche Health Unit
- Lamont Health Unit
- Redwater Health Unit
- Smoky Lake Health Unit
- St. Paul Health Unit
- Two Hills Health Unit
- Thorhild Health Unit (branch office)
- Vegreville Health Unit
- Vilna Health Unit (branch office)
- Other community organizations

These financial statements do not include the assets, liabilities, and operations of voluntary or private facilities providing health care services in the region. Information on these facilities is disclosed in Note 24(b).

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. Following are the significant accounting policies:

(a) Revenue Recognition

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year received or receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until they are invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full Cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services is recorded. Fair value transactions as recorded consist of the following:

(i) Revenues earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations, and also recorded as program expense, since contract payments from the Authority do not include an amount for the use of these facilities.

(iv) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenues and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expense in the financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(c) Pension Plan Expense and Obligation (continued)

The portion is based on the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based on the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on unfunded liabilities; amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long-term; and the effect of change in the ratio used to allocate the pension plans' total unfunded liability to participating employers.

(d) Financial Instruments

The estimated fair value of the Authority's long-term debt is $1,818 (1999 $1,930). The fair value of the debt was estimated at the present value of the contractual future payments of principal and interest, discounted at the current market rates of interest available to the Authority for the same or similar debt instrument.

The fair value of all other financial assets and financial liabilities are not materially different from their carrying value.

(e) Inventories

Inventories are valued at the lower of cost and replacement cost.

(f) Capital Assets

Capital assets and construction projects in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Land improvements	10-20 years
Buildings	20-40 years
Building service systems	10-20 years
Furniture and equipment	5-20 years
Equipment under capital leases	5 years
Vehicles	5 years
Leasehold improvements	lease term plus one renewal period

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(f) Capital Assets (continued)

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(g) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If the actual costs are not known at the time of the decision, then an estimate is recorded.

(h) Trust Funds Received by the Authority for Non-Owned Facilities

The Authority receives trust funds from Alberta Infrastructure that are to be paid to operators of non-owned facilities for capital purposes or facility repairs. These amounts are not reflected in these financial statements but are disclosed in Note 22.

Note 3 Cash

	2000	1999
	(thousands of dollars)	
Cash	$ 15,271	$ 12,341
Less non-current cash	(1,671)	(1,168)
Current cash	$ 13,600	$ 11,173

Note 4 Non-Current Cash

Non-current cash represents funds externally restricted for capital purposes.

Note 5 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		(thousands of dollars)		
Land	$ 639	$ -	$ 639	$ 639
Land improvements	1,790	1,078	712	784
Buildings	97,716	45,116	52,600	55,268
Building service systems	9,642	8,012	1,630	1,805
Furniture and equipment	24,101	18,106	5,995	5,199
Equipment under capital leases	224	90	134	174
Vehicles	670	606	64	-
Leasehold improvements	100	100	-	-
Construction in progress	1,361	-	1,361	1,152
	$ 136,243	$ 73,108	$ 63,135	$ 65,021

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$ 57,898	$60,099
Long-term debt	1,375	1,444
Internally funded (invested in capital assets)	3,862	3,478
	$ 63,135	$65,021

The carrying values and useful lives of capital assets are based on estimates of their useful lives. The related unamortized external capital contributions for externally funded capital assets are recorded at amounts equal to the carrying values of the capital assets. Any future redefinition of the Authority's operations or facility requirements may result in adjustments to these amounts. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Note 6 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions - Healthy Aging	$ 997	$ -
Alberta Health and Wellness contributions - Y2K	277	-
Alberta Health and Wellness contributions - Health Innovation Fund	577	-
Other government contributions	186	112
Donations	80	115
Investment income - Y2K	48	108
	2,165	335
Amounts refunded to source	-	(130)
Amounts transferred to deferred capital contributions (Note 7)	(485)	(647)
	(485)	(777)
Amounts recognized as revenue:		
Other Government Contributions (Note 15)	(237)	-
Alberta Health and Wellness contributions - Y2K (Note 14)	(1,912)	(540)
Investment and other revenue	(33)	(120)
	(2,182)	(660)
Change during the year	(502)	(1,102)
Balance, beginning of year	2,977	4,079
	$ 2,475	$ 2,977
Unspent amounts at year end are restricted for the following purposes:		
Current:		
Alberta Health and Wellness contributions - Healthy Aging	$ 997	$ -
Alberta Health and Wellness Health Innovation Fund	577	-
Alberta Health and Wellness Y2K funding	630	2,702
Primary Care Program	102	152
Other	169	123
	$ 2,475	$ 2,977

Note 7 Deferred Capital Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions - Capital equipment	205	-
Alberta Health and Wellness contributions - Lottery funds for capital equipment	260	-
Other government contributions	1,887	955
Donations	67	19
Investments and other revenue	50	(3)
Transferred from deferred contributions (Note 6)	485	647
	2,954	1,618
Transferred to:		
	-	
Unamortized external capital contributions -Y2K (Note 10)	(485)	(647)
Unamortized external capital contributions - Other (Note 10)	(1,966)	(1,327)
	(2,451)	(1,974)
Change during the year	503	(356)
Balance, beginning of year	1,168	1,524
	$ 1,671	$ 1,168
Balance at year end is restricted for the following purposes:		
Alberta Health and Wellness - Lottery capital equipment	$ 458	$ 415
Alberta Infrastructure upgrades	1,192	734
Other	21	19
	$ 1,671	$ 1,168

Note 8 Long-term Debt

	2000	1999
	(thousands of dollars)	
Debenture	$ 1,245	$ 1,271
Obligations under capital lease	130	173
	1,375	1,444
Less current portion	(1,290)	(69)
Long-term portion	$ 85	$ 1,375

	Capital Leases	Debenture	Total
		(thousands of dollars)	
Future principal payments for the year ending March 31:			
2001	$ 45	$ 1,245	$ 1,290
2002	49	-	49
2003	36	-	36
	$ 130	$ 1,245	$ 1,375

Arrangements have been made to retire the debenture in fiscal 2001. The annual interest rate on the debenture is 12%.

The capital leases expire on various dates to 2003. The implicit interest rates payable on these leases' ranges from 9% to 13%.

Note 9 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authorities Pension Plan was determined by actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

Note 9 Pension Plan Obligation (continued)

The total unfunded pension liability for the Public Service Pension Plan was determined by actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on the same actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the total unfunded liability amount for each plan that will be funded by employers.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 154	$ 158
Public Service Pension Plan	31	154
	$ 185	$ 312

The decrease in the pension obligation has been accounted for as follows:

	2000	1999
	(thousands of dollars)	
Allocated to program expenses	$ 127	$ 31

Note 10 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2 (a)(iii). The balance at the end of year represents the external capital contributions that will be recognized as revenue in future years.

Note 10 Unamortized External Capital Contributions (continued)

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	$ 60,099	$ 62,119
Add amounts transferred from deferred capital contributions (Note 7)	2,452	1,973
	62,551	64,092
Less amounts recognized as revenue	(4,653)	(3,993)
	$ 57,898	$ 60,099

Note 11 Unrestricted Net Assets

The balance of unrestricted net assets can be analyzed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted net assets at Regionalization - April 1, 1995	$ (814)	$ (814)
Changes since regionalization:		
Cumulative operating surplus	6,667	2,549
Invested in capital assets (net of amortization)	(593)	(607)
Repayment of long-term debt	(847)	(411)
Other - Bonnyville Regional Lab equity adjustment Mar. 31, 1998	361	361
Balance at end of year	$ 4,774	$ 1,078

Note 12 Commitments

The Authority is committed to several operating lease contracts. Future minimum lease payments are as follows:

	(thousands of dollars)
2001	$ 200
2002	165
2003	126
2004	111
2005	101
2006 and thereafter	-

Note 13 Budget

	Approved Budget (1)	Additional Funding (2)	Adjustments (3)	Reported Budget
		(thousands of dollars)		
Revenues:				
Alberta Health and Wellness contributions	$ 90,314	$ 4,663	$ 2,702	$ 97,679
Other government contributions	2,413	-	-	2,413
Fees and charges	9,951	-	(740)	9,211
Investment and other income	380	-	740	1,120
Amortization of external capital contributions	4,595	-	-	4,595
	107,653	4,663	2,702	115,018
Expenses:				
Facility based inpatient acute services	17,255	-	(746)	16,509
Facility based emergency and outpatient services	7,862	-	(2,273)	5,589
Facility based continuing care services	25,075	-	(2,845)	22,230
Community and home based services	8,076	-	(280)	7,796
Diagnositic and therapeutic services	19,849	-	(2,077)	17,772
Promotion, prevention and protection services	5,067	-	397	5,464
Education	361	-	(361)	-
Administration	6,022	-	(347)	5,675
Information technology and we//net (Note 19)	-	-	1,002	1,002
Y2K remedial costs	-	-	2,702	2,702
Support services	14,386	-	7,001	21,387
Amortization of facilities and improvements	3,700	-	529	4,229
	107,653	-	2,702	110,355
Excess of revenues over expenses	$ -	$ 4,663	$ -	$ 4,663

(1) The Budget was approved by the Official Administrator of the Authority on June 30, 1999 and approved by the Minister of Health and Wellness.

(2) In November 1999 ($4,618) and March 2000 ($45), the Minister of Health and Wellness provided additional funding.

(3) Adjustments arising from Authority re-allocations are:

Recognition of deferred revenue and redistribution of funds between programs to match restructuring.

Note 14 Alberta Health and Wellness Contributions

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted contributions	$ 94,357	$ 94,385	$ 84,906
Transferred from deferred contributions - Y2K (Note 6)	2,702	1,912	540
Restricted contributions made directly by Alberta Health and Wellness to contracted health service operators (Note 24 (b))	620	620	620
	$ 97,679	$ 96,917	$ 86,066

Note 15 Other Government Contributions

	Budget	2000	1999
	(thousands of dollars)		
Alberta Infrastructure	$ 647	$ 587	$ 647
Fair value of rent less rent charges for non-acute care facilities used by the Authority	234	234	234
Fair value for use of non-owned acute care facilities	1,234	1,287	1,234
Transferred from deferred contributions (Note 6):			
Primary Care funding	298	193	-
Other	-	44	-
Other government contributions	-	109	112
	$ 2,413	$ 2,454	$ 2,227

Note 16 Ancillary Operations

	2000					1999
	Non-patient Food Service Operations	Rental Operations	Other Operations	Total	Budget	Total
	(thousands of dollars)					
Revenues:						
Revenue	$ 395	$ 41	$ -	$ 436	$ 450	$ 565
Expenses:						
Other expenses	429	39	-	468	447	639
Amortization	-	3	-	3	3	5
	429	42	-	471	450	644
Deficiency of revenues over expenses 1999-2000	$ (34)	$ (1)	$ -	$ (35)	$ -	$ (79)
Excess (deficiency) of revenues over expenses 1998-1999	$ (92)	$ (1)	$ 14	-	-	$ (79)

Note 17 Investment and Other Income

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted investment income	$ 300	$ 574	$ 467
Other income	820	1,120	673
	$ 1,120	$ 1,694	$ 1,140

Investment income is comprised of interest revenue.

Other income comprises:

- External recoveries of supply costs
- External recoveries of salary costs
- Other revenues

Note 18 Administration

	Budget	2000	1999
	(thousands of dollars)		
General administration	$ 2,365	$ 2,332	$ 4,261
Finance	1,058	1,087	1,368
Personnel	971	1,021	475
Administration - contract operators	1,281	1,267	1,369
	$ 5,675	$ 5,707	$ 7,473

Note 19 Information Technology and Alberta We*ll*net

	Budget	2000	1999
	(thousands of dollars)		
Alberta We*ll* net	$ -	$ 437	$ 421
Information systems support	1,002	804	560
Information systems support - contract services	-	65	-
	$ 1,002	$ 1,306	$ 981

During the year, the Authority contributed $437 towards the Alberta We*ll*net initiative.

Alberta We*ll*net is the province-wide strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve the delivery of health services to all Albertans. Alberta We*ll*net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000 or to develop applications to support we*ll*net initiatives. In accordance with generally accepted accounting principles, these costs have been expensed.

Note 20 Y2K Remedial Costs

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 21 Support Services

	Budget	2000	1999
	(thousands of dollars)		
Building maintenance, operations and security	$ 5,177	$ 5,431	$ 4,728
Communications	588	643	690
Education	351	269	30
Housekeeping	1,915	1,922	1,929
Laundry and linen	825	895	970
Materials management and central sterilizing	836	908	891
Patient food services	2,959	3,125	3,007
Patient health records	1,087	1,130	1,006
Patient registration	919	1,033	1,041
Patient transportation	1,742	1,611	963
Support services - contract operators	4,988	5,749	5,745
	$ 21,387	$ 22,716	$ 21,000

Note 22 Trust Funds

The Authority receives funds in trust from Alberta Infrastructure for non-owned facilities for capital purposes and facility repairs. These amounts are not reported in these financial statements.

During the year, the Authority received $524 (1999 $4,358) and disbursed $379 (1999 $7,294) for capital and facility repairs for non-owned facilities. The balance of funds held by the Authority is $313 (1999 $168).

Note 23 Change in Non-Cash Working Capital Accounts

	(thousands of dollars)	
Accounts receivable	$ 73	$ 586
Contributions receivable	(1,061)	3,782
Inventories	4	(11)
Prepaid expenses	(231)	51
Accounts payable	535	1,274
Accrued vacation pay	40	359
Deferred contributions	(502)	(1,102)
	$ (1,142)	$ 4,939

Note 24 Related Parties

(a) The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the statement of operations and in Notes 6, 7, 14 and 15.

Note 24 Related Parties (continued)

(b) Voluntary and Private Health Service Operators

The Authority contracts with voluntary and private health service operators to provide health services in the Region. The health service operators and the amount of contracted health services for the year are as follows:

	Operating Fund				2000	1999
	Direct Funding by the Authority	Approved Patient Resident Fees and Charges	Direct Funding by Alberta Health	Full Cost Adjustments	Total	Total
	(thousands of dollars)					
Voluntary facilities						
Bonnyville Health Care Centre	$ 6,090	$ 665	$ -	$ 544	$ 7,299	$ 7,076
Lamont Health Care Centre	5,561	1,348	-	524	7,433	6,624
Mary Immaculate Hospital - Mundare	1,211	361	-	23	1,595	1,500
Mary Immaculate Hospital - Willingdon	42	-	-	-	42	557
St. Joseph Hospital - Vegreville	5,082	189	-	197	5,468	5,794
Private facilities						
Bonnyville Extendicare	1,228	498	178	-	1,904	[illegible]
Rivercrest Care Centre - Fort Saskatchewan	2,544	828	258	-	3,630	3,396
St. Paul Extendicare	2,259	735	184	-	3,178	2,979
	$ 24,017	$ 4,624	$ 620	$ 1,288	$ 30,549	$ 29,838
Reported in the following expense categories:						
Facility based inpatient acute services					$ 4,511	$ 4,280
Facility based emergency and outpatient services					2,556	2,517
Facility based continuing care services					12,455	12,349
Diagnostic and therapeutic services					3,946	3,578
Administration					1,267	1,369
Information technology and well net					65	-
Support services					5,749	5,745
					$ 30,549	$ 29,838

Note 24 Related Parties (continued)

(c) Foundations

The Authority significantly influences the St. Paul & District Hospital Foundation (the "Foundation") by virtue of representation on the Board of directors. The Foundation is not consolidated in these financial statements. The Foundation exists for the purpose of raising funds to be used to benefit the St. Therese Health Centre (the "Centre").

During the year, the Foundation donated $22 (1999 $29) to the Centre. The Foundation currently holds resources in the amount of $63 (1999 $65) for the benefit of the Centre.

Note 25 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 26 Approval of Financial Statements

These financial statements have been approved by the Authority.

Schedule 1

LAKELAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF EXPENSES BY OBJECT

YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	$ 53,657	$ 54,076	$ 53,878
Contracts with health service operators (Note 24(b))	30,211	30,549	29,838
Drugs, gases, medical and surgical supplies	3,545	3,002	2,480
Consulting services	2,165	2,102	2,165
Interest on long-term debt	-	531	195
Other	15,457	16,486	15,232
Amortization:			
Capital equipment - internally funded	725	691	681
Capital equipment - externally funded	366	554	347
Facilities and improvements	4,229	4,036	3,646
	$ 110,355	$ 112,027	$ 108,462
Less amounts reported in ancillary operations (Note 16)	$ -	$ (471)	$ (644)
	$ 110,355	$ 111,556	$ 107,818

Schedule 2

LAKELAND REGIONAL HEALTH AUTHORITY
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000				Severance			1999			
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Sub-total	Number of Individuals	Amount	Total	Number of Individuals (1)	Salaries Benefits & Honoraria (2, 3)	Severance	Total
Authority/Board Compensation											
RHA Chairperson: Darold Chalak	0.00	$ -	$ -	$ -	-	$ -	$ -	1.00	$ 23	$ -	$ 23
Robert Coble (Official Administrator)	1.00	136	-	136	-	-	136	1.00	12	-	12
Members:											
Hazel Anaka	-	-	-	-	-	-	-	1.00	14	-	14
Diane Anderson	-	-	-	-	-	-	-	1.00	11	-	11
John Antoniuk	-	-	-	-	-	-	-	1.00	5	-	5
Gayle Cardinal	-	-	-	-	-	-	-	1.00	3	-	3
Joseph Coutombe	-	-	-	-	-	-	-	1.00	5	-	5
Sandra Desjardins	-	-	-	-	-	-	-	1.00	-	-	-
Marcel Duchesne	-	-	-	-	-	-	-	1.00	4	-	4
Ralph Goertz	-	-	-	-	-	-	-	1.00	11	-	11
Peter Hrynchuk	-	-	-	-	-	-	-	1.00	8	-	8
Cindy Ladouceur	-	-	-	-	-	-	-	1.00	9	-	9
Janet Meddings	-	-	-	-	-	-	-	1.00	6	-	6
Gerald Olynyk	-	-	-	-	-	-	-	1.00	12	-	12
Darlene Otten	-	-	-	-	-	-	-	1.00	3	-	3
John Prapchuk	-	-	-	-	-	-	-	1.00	3	-	3
Harold Ross	-	-	-	-	-	-	-	1.00	4	-	4
John Tessolin	-	-	-	-	-	-	-	1.00	11	-	11
Marie Delano Tollers	-	-	-	-	-	-	-	1.00	3	-	3
John Terlaenko	-	-	-	-	-	-	-	1.00	6	-	6
Laurie Wolfand	-	-	-	-	-	-	-	1.00	11	-	11
Ex-Officio: Lt. Colonel Steven Fash	-	-	-	-	-	-	-	1.00	-	-	-
Total honoraria	1.00	$ 136	$ -	$ 136	-	$ -	$ 136	22	$ 164	$ -	$ 164

LAKELAND REGIONAL HEALTH AUTHORITY
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

Schedule 2
(continued)

	2000				Severance			1999			
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Sub-total	Number of Individuals	Amount	Total	Number of Individuals (1)	Salaries Benefits & Honoraria (2, 3)	Severance	Total
STAFF											
Chief Executive Officer	1.00	$ 116	$ 16	$ 132	-	$ -	$ 132	1.00	$ 119	$ 36	$ 155
Medical Officers or Other Mgmt to Board	1.92	236	34	270	-	-	270	0.70	106	-	106
Management persons reporting to the CEO											
Regional Chief Financial Officer	0.50	44	6	50	-	-	50	1.00	94	6	100
Director of Human Resources	-	-	-	-	-	-	-	1.00	98	-	98
Director of Health Info & Outcomes	-	-	-	-	-	-	-	1.00	86	-	86
Legislative Issues Coordinator	-	-	-	-	-	-	-	1.00	78	5	83
Executive Associate	-	-	-	-	-	-	-	1.00	88	12	100
Directors of Health Services	1.00	97	14	111	-	-	111	3.00	269	259	528
Other Management reporting to those above (2000 avg = $78)(1999 avg = $69) (excluding severances)	10.50	718	102	820	1.00	11	831	23.04	1,582	183	1,765
Other Management (2000 avg = $65)(1999 avg = $59) (excluding severances)	68.54	3,915	558	4,473	1.00	14	4,487	93.76	7,379	127	7,506
Medical Doctors not included above	-	-	-	-	-	-	-	-	-	-	-
Registered Nurses not included above (2000 avg = $51)(1999 avg = $50) (excluding severances)	358.83	16,147	2,302	18,449	-	-	18,449	369.15	18,628	175	18,803
Other Health Technical & Professionals (2000 avg = $52)(1999 avg = $53) (excluding severances)	219.16	10,061	1,434	11,495	-	-	11,495	180.94	9,667	109	9,776
Unregulated Health Service Providers (2000 avg = $29)(1999 avg = $28) (excluding severances)	218.52	5,633	803	6,436	-	-	6,436	184.03	5,225	38	5,263
Other Staff (2000 avg = $33)(1999 avg = $29) (excluding severances)	354.06	10,282	1,462	11,744	3.00	62	11,806	290.41	8,552	822	9,374
	1,234.07	47,249	6,731	53,980	5.00	87	54,067	1,211.07	51,971	1,772	53,743
Pension Obligation Adjustment			(127)	(127)		-	(127)		(31)		(31)
TOTAL OF SCHEDULE 2	1,235.07	$ 47,385	$ 6,604	$ 53,989	5.00	$ 87	$ 54,076	1,233.07	$ 52,104	$ 1,772	$ 53,876

Schedule 2 (continued)

LAKELAND REGIONAL HEALTH AUTHORITY

SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE

YEAR ENDED MARCH 31, 2000

(1) Full time equivalent (FTE) has been determined as follows:

Regulated nurses	1921 hours per FTE
All other categories	2023 hours per FTE

(2) Salary includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances included the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

(4) Severance includes: All monies paid directly or on behalf of an employee upon termination which are not included in salaries and benefits, continued payment for Authority Board shared benefits identified in 2 above, that will continue to be paid.

(5) The total amount is reported in Schedule 1 - Expenses by Object.

(6) The Lakeland Regional Health Authority Board was disbanded and replaced with an Official Administrator on February 18, 1999. A new Board was appointed and commenced April 3, 2000.

Schedule 3

LAKELAND REGIONAL HEALTH AUTHORITY
THREE YEAR SUMMARY OF REVENUES AND EXPENSES
FOR THE PERIOD COMMENCING APRIL 1, 1997

(thousands of dollars)

	Actual		
	2000	1999	1998
Revenue:			
Alberta Health and Wellness contributions	$ 96,917	$ 86,066	$ 83,988
Other government contributions	2,454	2,227	2,237
Fees and charges	9,543	9,993	9,774
Net Ancillary Operations	(35)	(79)	(108)
Donations	410	215	342
Investment and other income	1,694	1,140	882
Amortization of external capital contributions	4,653	3,993	4,826
	115,636	103,555	101,941
Expenses:			
Facility based inpatient acute services	16,544	15,938	14,733
Facility based emergency and outpatient services	6,007	6,488	5,559
Facility based continuing care services	21,784	21,371	19,994
Community and home based services	7,945	7,455	7,096
Diagnostic and therapeutic services	18,333	17,387	16,295
Promotion, prevention and protection services	5,265	5,156	5,182
Education	-	382	162
Administration	5,707	7,473	7,471
Information technology and well/net	1,306	981	-
Y2K remedial costs	1,913	541	-
Support services	22,716	21,000	20,654
Amortization of facilities and improvements	4,036	3,646	3,938
Capital asset writedowns	-	-	508
Total Expenses	111,556	107,818	101,592
Excess (deficiency) of revenue over expenses	$ 4,080	$ (4,263)	$ 349

Pro-forma results are not required, as there were no boundary changes or transfers of programs or services during this three-year period.

Financial Statements of

MISTAHIA REGIONAL HEALTH AUTHORITY

March 31, 2000

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Auditors' Report

To the Members of the
Mistahia Regional Health Authority
and the Minister of Alberta Health and Wellness

We have audited the statement of financial position of Mistahia Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, we have made an examination to determine if the Authority has complied with Financial Directive 16 issued by Alberta Health. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances. In our opinion, the Authority has, in all significant respects, complied with Financial Directive 16.

Deloitte & Touche LLP

Chartered Accountants
June 2, 2000

MISTAHIA REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgment.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

The Authority members carry out their responsibility for the financial statements through the Finance and Personnel Committee. This Committee meets with management and the external auditor, Deloitte and Touche LLP, to discuss and review financial matters, and recommends the financial statements to the Mistahia Regional Health Authority Board for approval. The external auditor has full and free access to the Finance and Personnel Committee.

The external auditor, Deloitte and Touche LLP, provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

B.J. McCallion
B.J. (Bernie) McCallion
President and
Chief Executive Officer

for
Donald A. (Tony) Suttis
Vice President, Finance and
Information Management

MISTAHIA REGIONAL HEALTH AUTHORITY
Statement of Financial Position
March 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
CURRENT ASSETS		
Cash and temporary investments (Note 3)	$ 8,176	$ 4,380
Accounts receivable	1,787	1,380
Contributions receivable	464	-
Inventories	649	562
Prepaid expenses	540	252
	11,616	6,574
DUE FROM OTHER ENTITIES (Note 4)	85	293
NON-CURRENT CASH AND INVESTMENTS (Note 5)	5,771	8,957
NON-CURRENT RECEIVABLES (Note 6)	582	35
CAPITAL ASSETS (Note 7)	113,430	115,655
	$ 131,484	$ 131,514
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accruals	$ 5,494	$ 3,845
Accrued vacation pay	3,860	3,591
Deferred contributions (Note 8)	883	-
	10,237	7,436
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	4,835	6,817
PENSION PLAN OBLIGATION (Note 10)	213	284
UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS (Note 11)	109,500	111,267
DUE TO OTHER ENTITIES (Note 4)	78	82
	124,863	125,886
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS		
Unrestricted (Note 13)	740	740
Internally restricted (Note 14)	1,951	500
Investment in capital assets	3,930	4,388
	6,621	5,628
	$ 131,484	$ 131,514

The accompanying notes and schedules are part of these financial statements.

MISTAHIA REGIONAL HEALTH AUTHORITY
Statement of Operations
Year ended March 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 15)	Actual	Actual
REVENUES			
Alberta Health and Wellness contributions (Note 16)	$ 78,273	$ 78,122	$ 69,588
Other government contributions (Note 17)	470	476	495
Fees and charges	7,076	7,606	7,292
Ancillary operations - net (Note 18)	252	336	328
Donations	-	93	130
Investment and other income (Note 19)	1,230	2,151	2,069
Amortization of external capital contributions (Note 11)	5,531	5,136	5,531
	92,832	93,920	85,433
EXPENSES - Schedule 1			
Facility-based in-patient services	21,158	21,809	20,500
Facility-based emergency and out-patient services	5,658	5,785	5,409
Facility-based continuing care services	7,693	7,867	7,288
Community and home-based services	5,628	5,517	4,927
Diagnostic and therapeutic services	16,368	16,662	16,101
Promotion, prevention and protection services	3,419	3,357	3,122
Research and education	74	78	81
Administration (Note 20)	5,822	5,532	5,375
Information technology and we//net (Note 21)	1,593	1,744	1,786
Y2K remedial costs (Note 22)	1,331	1,180	273
Support services (Note 23)	18,849	19,209	18,624
Amortization of facilities and improvements	4,078	4,187	4,146
	91,671	92,927	87,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 1,161	$ 993	$ (2,199)

MISTAHIA REGIONAL HEALTH AUTHORITY
Statement of Changes in Net Assets
Year ended March 31, 2000
(thousands of dollars)

	2000				
	Unrestricted (Note 13)	Internally Restricted (Note 14)	Investment in Capital Assets	Total	1999 Total
BEGINNING OF YEAR	$ 740	$ 500	$4,388	5,628	7,827
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	993	-	-	993	(2,199)
INTERNALLY RESTRICTED	(1,817)	1,817	-	-	-
CAPITAL ASSETS PURCHASED WITH INTERNAL FUNDS	-	(366)	366	-	-
AMORTIZATION ON INTERNALLY FUNDED CAPITAL ASSETS	824	-	(824)	-	-
END OF YEAR	$ 740	$1,951	$3,930	$ 6,621	$ 5,628

MISTAHIA REGIONAL HEALTH AUTHORITY
Statement of Cash Flows
Year ended March 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES			
OPERATING			
Excess (deficiency) of revenues over expenses	$ 1,161	$ 993	$ (2,199)
Items not affecting cash:			
(Decrease) increase in unfunded pension obligation	-	(71)	4
Amortization of internally funded equipment	665	685	665
Amortization of externally funded equipment	1,567	1,088	1,567
Amortization of internally funded facilities and improvements	115	139	115
Amortization of externally funded facilities and improvements	3,964	4,048	3,964
Amortization of deferred external capital contributions	(5,531)	(5,136)	(5,531)
(Gain) loss on disposal of capital assets	-	(54)	37
	1,941	1,692	(1,378)
Change in non-cash working capital accounts (Note 24)	-	1,555	2,814
	1,941	3,247	1,436
INVESTING			
Net sale (purchase) of long-term investments	-	2,140	979
Purchase of capital assets			
Internally funded equipment	(700)	(341)	(942)
Externally funded equipment	-	(925)	(359)
Internally funded facilities and improvements	-	(25)	(60)
Externally funded facilities and improvements (Note 11)	(10,286)	(2,444)	(1,446)
Proceeds on sale of capital assets	-	54	31
Allocation to non-current cash	6,817	1,046	(1,661)
	(4,169)	(495)	(3,458)
FINANCING			
Capital contributions received (Note 9)	4,800	3,334	3,822
Refund of unused capital contributions (Note 9)	-	(767)	(83)
Capital contributions transferred to operations (Note 16)	(1,331)	(1,180)	(273)
Change in non-current receivables	-	(547)	-
Due from (to) other entities	-	204	391
	3,469	1,044	3,857
INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,241	3,796	1,835
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	4,380	4,380	2,545
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	$ 5,621	$ 8,176	$ 4,380

1. AUTHORITY, PURPOSE AND OPERATION

The Mistahia Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authorities Act, Chapter R-9.07, Statutes of Alberta, 1994. The Authority is a registered charity under the Income Tax Act and is therefore exempt from payment of income tax.

The Authority is responsible for the delivery of appropriate, accessible, and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore, and enhance physical and mental well-being.

The operations of the Authority include the following facilities and sites:

- Beaverlodge Municipal Hospital
- Central Peace General Hospital, Spirit River
- Fairview Health Complex
- Grande Cache General Hospital
- Grimshaw/Berwyn & District Hospital
- Hythe Nursing Home
- Mackenzie Place Long Term Care Centre, Grande Prairie
- Queen Elizabeth II Hospital, Grande Prairie
- Valleyview Health Centre
- Worsley Health Centre
- Grande Prairie Care Centre (on contract)
- Mistahia Health Unit Offices in Beaverlodge, Fairview, Grande Cache, Grande Prairie, Spirit River and Valleyview.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are the significant accounting policies:

(a) Basis of Presentation

These financial statements include all facilities and sites, which the Authority operates, except for the Grande Prairie Care Centre which is a private facility operated under contract.

(b) Revenue Recognition

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Revenue recognition (continued)

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(c) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of service is recorded. The fair value transactions recorded consist of the following:

- Revenues earned by contracted health service operators from Ministry of Health designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.
- Payments made by Alberta Health directly to contracted health service operators for health programs are recorded as revenues and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.
- The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or donations and as program expense as contract payments from the Authority do not include an amount for the use of these facilities.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Full cost (continued)

- The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.
- Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(d) Pension Liability and Expense

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The actuarial valuation for the pension plans was determined using the projected benefit method prorated on service. Assumptions used in the valuation are based on the Pension Board's best estimate of future events. The plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will be deferred and amortized as part of the pension expense over the expected average remaining service life of the employee group.

Pension costs are disclosed as part of salaries, benefits and allowances, and as an unallocated pension valuation adjustment.

The part included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on the entity's share of the unfunded pension liability; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the Plans' total unfunded liability to participating entities.

The unallocated pension valuation adjustment is to recognize immediately the effect on the pension obligation when there is reasonable assurance that a gain or loss has been realized.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(e) Investments

Temporary investments are recorded at cost, which approximates market value.

Long-term investments are recorded at cost unless there has been a permanent reduction in value. At that time the value is reduced. Any discounts or premiums arising on purchase are amortized over the period to maturity. Gains or losses realized on disposal are recognized in the period of disposal.

(f) Inventories

Inventories are recorded at the lower of cost and net replacement cost, or net realizable value.

(g) Capital assets

Capital assets and capital projects in progress are recorded at cost.

Capital assets are amortized on a straight-line basis over the estimated useful life of the assets as follows:

Land improvements	10- 25 years
Buildings	20 - 40 years
Major equipment	5 - 15 years

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(h) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If the actual costs are not known at the time the decision is made, then an estimate of the amounts is recorded.

3. CASH AND TEMPORARY INVESTMENTS

	2000	1999
Cash	**$ 5,347**	$ 6,897
Temporary investments at cost (which approximates market value)	**8,600**	4,300
	13,947	11,197
Allocation to non-current cash and investments	**(5,771)**	(6,817)
	$ 8,176	$ 4,380

Cash and temporary investments represent amounts held for working capital purposes.

4. DUE FROM (TO) OTHER ENTITIES

	2000	1999
Due from:		
Queen Elizabeth II Hospital Foundation	**$ 85**	$ 293

Subsequent to March 31, 2000, the Authority received payment for the amounts due from the Queen Elizabeth II Hospital Foundation.

	2000	1999
Due to:		
Queen Elizabeth II Hospital Child Care Centre	**$ 78**	$ 82

5. NON-CURRENT CASH AND INVESTMENTS

	2000	1999
Bonds	**$ -**	$ 1,576
Mutual funds	**-**	564
	-	2,140
Allocation from current cash and temporary investments	**5,771**	6,817
	$5,771	$ 8,957

Non-current cash and investments represent the following:

	2000	1999
Externally restricted for capital acquisitions	**$4,320**	$ 6,817
Internally restricted for capital acquisitions	**1,451**	-
Unrestricted for long-term investments	**-**	2,140
	$5,771	$ 8,957

6. NON-CURRENT RECEIVABLES

	2000	1999
Alberta Health and Wellness	**$ 500**	$ -
Alberta Infrastructure	**15**	-
Non-current portion of receivable from physicians	**67**	35
	$ 582	$ 35

The amounts due from Alberta Health and Wellness and Alberta Infrastructure are for capital acquisitions.

The amount due from physicians is the non-current portion of a non-interest bearing loan granted to certain physicians to establish medical practices in Grande Prairie. The current portion of $381 (1999 - $88) is reported in accounts receivable.

7. CAPITAL ASSETS

	2000			1999
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	**$ 870**	**$ -**	**$ 870**	$ 870
Land improvements	**6,615**	**4,638**	**1,977**	2,285
Buildings	**154,847**	**54,379**	**100,468**	104,050
Major equipment	**31,374**	**25,404**	**5,970**	6,652
Work in progress	**4,145**	**-**	**4,145**	1,798
	$ 197,851	**$84,421**	**$ 113,430**	$ 115,655

Capital assets have been funded from the following sources:

	2000	1999
Externally funded (unamortized external capital contributions)	**$ 109,500**	$ 111,267
Internally funded (invested in capital assets)	**3,930**	4,388
	$ 113,430	$ 115,655

8. DEFERRED CONTRIBUTIONS

	2000	1999
Amounts received:		
Alberta Health and Wellness contributions	**$879**	$ -
Other	**4**	-
Change during the year	**883**	-
Balance, beginning of year	**-**	-
Balance, end of year	**$883**	$ -
Balance at end of year is restricted for the following purposes:		
Alberta Health and Wellness contributions:		
Healthy Aging	**$566**	$ -
Community Exposure and Health Effects Assessment	**210**	-
Meditech Public Health Immunization Module	**103**	-
	879	-
Other	**4**	-
	$883	$ -

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(b).

	2000	1999
Amounts received:		
Alberta Health and Wellness	**$ 500**	$ -
Restricted other government contributions	**2,481**	3,400
Donations restricted for capital purposes	**199**	281
Interest	**154**	141
	3,334	3,822
Transferred to:		
Unamortized external capital contributions (Note 11)	**(3,369)**	(1,805)
Refund of contributions	**(767)**	(83)
Alberta Health and Wellness contributions (Note 16)	**(1,180)**	(273)
	(5,316)	(2,161)
Change during the year	**(1,982)**	1,661
Balance, beginning of year	**6,817**	5,156
Balance, end of year	**$ 4,835**	$ 6,817
Balance at end of year is restricted for the following purposes:		
Year 2000	**$ 688**	$ 3,331
Capital upgrades and equipment purchases	**4,147**	3,486
	$ 4,835	$ 6,817

10. PENSION PLAN OBLIGATION

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and the Public Service Pension Plan, which are defined benefit pension plans. These plans provide pensions for the Authority's employees based on length of service and earnings.

The total unfunded pension liability, for pre-1992 pensionable service, for each plan as at March 31, 2000 was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The 1999 comparatives were determined by extrapolation to March 31, 1999 of actuarial valuations as at December 31, 1997.

The actuarial valuations were determined using the projected benefit method prorated on service. Assumptions used in the valuations are based on the respective Pension Board's best estimate of future events. The plans' future experience will inevitably vary, perhaps significantly, form the assumptions. Any difference between the actuarial assumptions and actual experience will result in gains and losses. For employer accounting purposes, experience gains and losses are amortized over the expected average remaining service life of the employee group.

The Public Sector Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan that will be funded by employers. The Authority's share of the unfunded liability is based on the Authority's percentage of the total employer's pensionable payroll for each plan.

The pension plan obligation is represented as follows:

	2000	1999
Local Authorities Pension Plan	**$189**	$ 155
Public Service Pension Plan	**24**	129
	$213	$ 284

During the year, a number of employees transferred from the Public Service Pension Plan and Local Authorities Pension Plan. The change in pension plan obligation in the amount of $71 (1999 - $(4)) has been allocated to programs.

11. UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2(b). The balance at year end represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
Balance, beginning of year	**111,267**	114,993
Add amounts transferred from deferred capital contributions (Note 9)	**3,369**	1,805
	114,636	116,798
Less amounts recognized as revenue		
Amortization of external capital contributions	**(5,136)**	(5,531)
Balance, end of year	**$ 109,500**	$ 111,267

12. COMMITMENTS AND CONTINGENCIES

The Authority has guaranteed the income of four physicians under the terms of contracts that expire through October 2000 for three of the physicians and indefinitely for the fourth.

The Authority has committed to an equipment purchase in the amount of $2.0 million.

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

13. UNRESTRICTED AND INTERNALLY RESTRICTED NET ASSETS

	2000	1999
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	**$ 4,350**	$ 4,350
Changes since regionalization:		
Cumulative operating deficit	**(680)**	(1,673)
Net investment in capital assets	**(979)**	(1,437)
	$ 2,691	$ 1,240
Unrestricted	**$ 740**	$ 740
Internally restricted	**1,951**	500
	$ 2,691	$ 1,240

14. NET ASSETS INTERNALLY RESTRICTED

Net assets internally restricted represent amounts restricted by the Authority for the following purposes:

	2000	1999
MRI operation and maintenance	**$ 500**	$ 500
Capital equipment	**1,451**	-
	$1,951	$ 500

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

15. BUDGET

	Approved budget[1]	Additional Approved budget[2]	Unfunded Pension Adjustment[3]	Budget Reallocation[4]	Reported Budget
Revenues:					
Alberta Health and Wellness contributions	$ 74,750	$ 3,523	$ -	$ -	$ 78,273
Other government contributions	470				470
Fees and charges	7,076				7,076
Net ancillary operations	252				252
Donations	-				-
Investment and other income	1,230				1,230
Amortization of deferred capital contributions	5,531				5,531
	89,309	3,523	-	-	92,832
Expenses:					
Facility-based in-patient services	21,196		(38)		21,158
Facility-based emergency and out-patient services	5,661		(3)		5,658
Facility-based continuing care services	8,650	48	(8)	(997)	7,693
Community and home-based services	5,423	209	(4)		5,628
Diagnostic and therapeutic services	16,404		(2)	(34)	16,368
Promotion, prevention and protection services	3,421		(2)		3,419
Research and education	74				74
Administration	5,504		(6)	324	5,822
Information technology and wel/net	1,596		(3)		1,593
Y2K remedial costs	1,331				1,331
Support services	18,140	7	(5)	707	18,849
Amortization of facilities and improvements	4,078				4,078
	91,478	264	(71)	-	91,671
(Deficiency) excess of revenues over expenses	$ (2,169)	$ 3,259	$ 71	$ -	$ 1,161

(1) The budget was approved by the Health Authority and submitted to the Minister of Health and Wellness in June 1999.

(2) Subsequent to the submission of the budget to the Minister of Health and Wellness, the following additional funding was approved:

Per capita - one time	3,300	(November 1999)
Broda report recommendation	264	(November 1999)
Broda report supplemental	16	(May 2000)
Reduction of inter-hospital ambulance funding	(57)	(May 2000)
	$ 3,523	

Of the $3,523 in additional funding, $264 was allocated to programs.

(3) Unfunded pension adjustment arising from changes in the pension liability had not been budgeted by the Authority, as this information was not readily available at the time the budget was approved

(4) Contracts with private sector operators were redistributed to comply with FD16.

16. ALBERTA HEALTH AND WELLNESS CONTRIBUTIONS

	2000		1999
	Budget (Note 15)	Actual	Actual
Unrestricted contributions	$76,942	$77,246	$ 69,315
Transferred to deferred contributions	-	(304)	-
	$76,942	$76,942	$ 69,315
Transfers from deferred capital contributions (Note 9)	1,331	1,180	273
	$78,273	$78,122	$ 69,588

17. OTHER GOVERNMENT CONTRIBUTIONS

	2000		1999
	Budget (Note 15)	Actual	Actual
Fair value of rent less rent charges for non-acute care facilities used by the Authority	$470	$470	$ 470
Town of Fairview	-	2	3
Lottery funds	-	4	-
APWSS - program study	-	-	22
	$470	$476	$ 495

18. ANCILLARY OPERATIONS

	2000				1999
	Parking Operations	Other Ancillary Operations	Total	Budget (Note 15)	Actual
Revenues	$ 294	$ 124	$ 418	$ 252	$ 413
Expenses					
Other expenses	60	22	82	-	85
Excess of revenues over direct expenses (1999/00)	$ 234	$ 102	$ 336	$ 252	$ 328
Excess of revenues over direct expenses (1998/99)	$ 207	$ 121			$ 328

19. INVESTMENT AND OTHER INCOME

	2000		1999
	Budget (Note 15)	Actual	Actual
Unrestricted investment income	$ 501	$ 585	$ 547
Other income	729	1,566	1,522
	$ 1,230	$ 2,151	$ 2,069

Investment income comprises interest, dividends, amortization of discount and premiums, and net gains on disposal of investments.

Other income comprises recoveries from sources external to the Health Authority for materials and supplies.

20. ADMINISTRATION

	2000		1999
	Budget (Note 15)	Actual	Actual
General administration:			
Corporate administration	$1,732	$ 1,714	$ 1,624
Medical Administration	902	708	951
Board of Trustees	311	264	246
	2,945	2,686	2,821
Finance (includes payroll services)	1,259	1,228	1,070
Personnel	1,237	1,221	1,118
Administration attributed to private sector operators (Note 26)	324	342	309
	5,765	5,477	5,318
Amortization of capital assets	57	55	57
	$ 5,822	$ 5,532	$ 5,375

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

21. INFORMATION TECHNOLOGY AND WE//NET

	2000 Budget (Note 15)	2000 Actual	1999 Actual
Information technology	$ 1,235	$ 1,363	$ 1,448
we//net	358	358	338
	1,593	1,721	1,786
Amortization of capital assets	-	23	-
	$ 1,593	$ 1,744	$ 1,786

alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve the delivery of health services to all Albertans. alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999/00, or to develop applications to support we//net initiatives. In accordance with generally accepted accounting principles, these costs have been expensed.

22. Y2K ISSUE

The Year 2000 issue arises because some computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

23. SUPPORT SERVICES

	2000 Budget (Note 15)	2000 Actual	1999 Actual
Bio-medical engineering	$ 119	$ 131	$ 128
Building maintenance and operations	5,792	5,903	5,847
Communications	766	791	672
Education	184	174	180
Housekeeping	2,314	2,441	2,281
Laundry and linen	962	923	958
Materials management and transportation	1,564	1,731	1,578
Patient food services	3,445	3,480	3,417
Health records	1,902	1,834	1,822
Patient registration	423	433	400
Volunteer services and pastoral care	213	223	205
Support services attributed to private sector operators (Note 26)	707	745	678
	18,391	18,809	18,166
Amortization of capital assets	458	400	458
	$18,849	$19,209	$ 18,624

24. CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS

	2000	1999
Accounts receivable	$ (407)	$ 3,893
Contributions receivable	(464)	-
Inventories	(87)	(33)
Prepaid expenses	(288)	(141)
Accounts payable and accruals	1,649	(1,218)
Accrued vacation pay	269	313
Deferred contributions	883	-
	$ 1,555	$ 2,814

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement, and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Cash and temporary investments, accounts receivable, contributions receivable accounts payable and accruals, accrued vacation pay, deferred contributions and due from/to other entities.

The carrying amounts on the statement of financial position approximate fair value because of the limited term of these instruments.

Long-term investments

The estimated fair value of the long-term investments approximates market value as disclosed in Note 5.

26. RELATED PARTIES

Provincial Government

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the Statement of Operations and Notes 8, 9 and 16 to the financial statements.

Foundations

The Authority has an economic interest in the following Foundations. The Foundations raise funds to benefit the Authority and other health related entities and are registered charities under the Income Tax Act. Information on the Foundations is as follows:

	Contributions Received by Authority		Resources Held by Foundation	
	2000	1999	Externally Restricted	Unrestricted
Beaverlodge General Hospital Foundation	**$ 21**	$ 12	$ -	$ 34
Fairview Health Complex Foundation	**77**	13	-	2,429
Grande Cache General Hospital Foundation	**16**	-	-	-
Grimshaw/Berwyn Hospital Foundation	**2**	-	2	221
Hythe Hospital and Nursing Home Foundation	**12**	18	1	17
Queen Elizabeth II Hospital Foundation	**70**	240	2,475	28
Valleyview Health Care Foundation	**40**	63	4	33
	$ 238	$ 346	$ 2,482	$ 2,762

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

26. RELATED PARTIES (continued)

Externally restricted amounts are for equipment, programs, research and education for the specific hospital and continuing care facility supported by the individual foundation.

The value of administrative support provided to foundations and the accounts receivable from the foundations at the year end are as follows:

	Administrative Support		Accounts Receivable	
	2000	1999	**2000**	1999
Queen Elizabeth II Hospital Foundation	**$ 25**	$ 25	**$ 85**	$ 293

Private Health Service Operators

The Authority has an economic interest in the following private health service providers as it transfers significant resources to these entities. The Authority contracts with private health service operators to provide health services in the Region. The health service operators and the amount of the contracted services for the year are as follows:

	2000			1999
	Direct Authority Funding	**Approved Patient Fees and Charges**	**Total**	Total
Grande Prairie Care Centre	**$1,546**	**$589**	**$2,135**	$ 1,909
Dynacare Kasper Medical Laboratories	**787**	**-**	**787**	764
	$2,333	**$589**	**$2,922**	$ 2,673

These payments to health service operators have been reported in the following expense categories:

	2000	1999
Facility based continuing care services	**$ 1,082**	$ 968
Diagnostic and therapeutic services	**753**	718
Administration	**342**	309
Support services	**745**	678
	$ 2,922	$ 2,673

MISTAHIA REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000

27. COMPARATIVE FIGURES

Certain 1999 figures have been reclassified to conform to 2000 presentation.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Authority.

MISTAHIA REGIONAL HEALTH AUTHORITY
Schedule 1
Expenses by Object of Expenditure
Year ended March 31, 2000
(thousands of dollars)

	Budget (Note 15)	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	$ 58,403	$ 58,708	$ 54,885
Contracts with health service operators (Note 26)	2,897	2,922	2,673
Drugs, gases, medical and surgical supplies	3,623	4,438	3,933
Consulting services	3,575	3,528	3,559
Supplies, minor equipment and expenses	16,862	17,587	16,319
Amortization:			
Internally funded equipment	665	685	665
Externally funded equipment	1,567	1,008	1,567
Internally funded facilities and improvements	115	139	115
Externally funded facilities and improvements	3,964	4,048	3,964
(Gain) loss on disposal of capital assets	-	(54)	37
	91,671	93,009	87,717
Less amounts reported in ancillary operations (Note 18)	-	82	85
	$ 91,671	$ 92,927	$ 87,632

MISTAHIA REGIONAL HEALTH AUTHORITY

Schedule 2

Salaries, Honoraria, Benefits, Allowances and Severance

Year ended March 31, 2000
(thousands of dollars)

	2000							1999			
					Severance						
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Sub-total	Number of Individuals	Amount	Total	Number of Individuals (1)	Salaries and Honoraria (2)	Severance	Total
AUTHORITY/BOARD COMPENSATION											
RHA Chairperson											
John Simpson	1.00	$ 24	$ 3	$ 27	-	$ -	$ 27	0.50	$ 16	$ -	$ 16
Judy Campbell				-			-	0.50	16		16
RHA Members											
Ted Blowers	1.00	11	2	13			13	1.00	13		13
Gail Briggs	1.00	15	2	17			17	1.00	12		12
Judy Campbell	1.00	16	3	19			19	0.50	8		-
Mildred Chowace	1.00	13	1	14			14	1.00	10		10
Jean Connolley	1.00	17	2	19			19	1.00	13		13
Dennis Grant	1.00	8	3	11			11	0.50	4		-
Patricia Jacobs	1.00	9	1	10			10	1.00	10		10
William McGregor	1.00	12	3	15			15	0.50	6		-
Lucille Partington	1.00	11	2	13			13	1.00	12		12
Virginia Smith	1.00	12	2	14			14	1.00	7		7
James Boyd				-			-	0.50	5		5
John Simpson				-			-	0.50	4		4
Laverne Sorgaard				-			-	0.50	5		5
Sheila Stilling				-			-	0.50	6		6
Linda Sutley				-			-	0.50	9		9
Total honoraria	11.00	$ 148	$ 24	$ 172	-	$ -	172	12.00	$ 156	$ -	$ 138

MISTAHIA REGIONAL HEALTH AUTHORITY

Schedule 2

Salaries, Honoraria, Benefits, Allowances and Severance (continued)

Year ended March 31, 2000
(thousands of dollars)

	2000							1999			
					Severance						
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Sub-total	Number of Individuals	Amount	Total	Number of Individuals (1)	Salaries and Honoraria (2)	Severance	Total
TOTAL HONORARIA (BROUGHT FORWARD)	11.00	$ 148	$ 24	$ 172	-	$ -	$ 172	12.00	$ 156	$ -	$ 156
STAFF COMPENSATION											
Chief Executive Officer	1.00	118	13	131			131	1.00	128		128
Management persons reporting to the CEO											
Vice President, Acute Care Services & QEII Hospital	1.00	94	12	106			106	1.00	102		102
Vice President, Continuing Care & Community Services	1.00	92	12	104			104	1.00	97		97
Vice President, Support Services	1.00	92	12	104			104	1.00	97		97
Vice President, Human Resources & Corporate Services	1.00	92	12	104			104	1.00	96		96
Vice President, Finance & Information Management (5)	1.00	93	13	106			106	0.83	79		79
Medical Officer of Health	1.00	119	11	130			130	1.00	127		127
Regional Medical Director	0.47	64	10	74			74	-	-		-
Chief Financial Officer (5)				-			-	0.06	7		7
Chief Information Officer (5)				-			-	0.17	18		18
Other management persons reporting to those above (avg. 2000 $77, avg. 1999 $74) (excluding severance)	23.30	1,560	226	1,786			1,786	22.55	1,663		1,663
Regulated nurses not included above (avg. 2000 $53, avg. 1999 $51) (excluding severance)	450.58	20,881	2,957	23,838	1	15	23,853	435.27	22,310		22,310
Other Health Technical and Professionals (avg. 2000 $53, avg. 1999 $51) (excluding severance)	174.31	8,028	1,200	9,228			9,228	166.33	8,542		8,542
Unregulated Health Service Providers (avg. 2000 $28, avg. 1999 $27) (excluding severance)	155.60	3,859	481	4,340			4,340	147.82	4,036		4,036
Other Staff (avg. 2000 $39, avg. 1999 $37) (excluding severance)	474.88	15,973	2,442	18,415	4	126	18,541	468.50	17,423		17,423
Pension obligation adjustment	-	-	(71)	(71)			(71)	-	4		4
Total	1,297.14	$51,213	$ 7,354	$58,567	5	$ 141	$ 58,708	1,259.53	$ 54,885	$ -	$ 54,885

MISTAHIA REGIONAL HEALTH AUTHORITY Schedule 2

Salaries, Honoraria, Benefits, Allowances and Severance (continued)
Year ended March 31, 1999
(thousands of dollars)

1. Full-time equivalent (FTE) has been determined as follows:

	Hours
UNA contract staff	1,920.75
Health Unit contract staff	1,827.00
All other contracts and excluded staff	2,022.75

Total actual discrete number of individuals employed: 2000 – 1,697; 1999 - 1,698.

2. Salaries and honoraria include regular base pay, overtime, lump-sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

3. Benefits and allowances include the employer's share of all employee benefits and contributions made on behalf of employees, including pension, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers' compensation, car benefits and allowances and tuition.

4. Severance includes all monies paid directly or on behalf of an employee upon termination, which have been included in salaries and benefits.

5. On June 1, 1998, the two full time positions of Chief Financial Officer and Chief Information Officer were combined to create the one full time position of Vice President, Finance and Information Management.

6. The total amount is reported in Schedule 1 (Schedule of Expenses by Object of Expenditure).

MISTAHIA REGIONAL HEALTH AUTHORITY
Three Year Summary of Revenues and Expenses

Period commencing April 1, 1997
(thousands of dollars)

	Actual		
	2000	1999	1998
REVENUES			
Alberta Health and Wellness contributions	$ 78,122	$ 69,588	$ 65,838
Other government contributions	476	495	530
Fees and charges	7,606	7,292	7,089
Ancillary operations - net	336	328	308
Donations	93	130	85
Investment and other income	2,151	2,069	2,036
Amortization of external capital contributions	5,136	5,531	5,672
	93,920	85,433	81,558
EXPENSES			
Facility-based in-patient services	21,809	20,500	18,747
Facility-based emergency and out-patient services	5,785	5,409	4,988
Facility-based continuing care services	7,867	7,288	6,633
Community and home-based services	5,517	4,927	4,566
Diagnostic and therapeutic services	16,662	16,101	15,105
Promotion, prevention and protection services	3,357	3,122	3,009
Research and education	78	81	70
Administration	5,532	5,375	5,695
Information technology and we//net	1,744	1,786	1,682
Y2K remedial costs	1,180	273	-
Support services	19,209	18,624	18,199
Amortization of facilities and improvements	4,187	4,146	4,121
	92,927	87,632	82,815
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 993	$ (2,199)	$ (1,257)

Note: No adjustments are required for pro-forma figures.

Peace Regional Health Authority

Financial Statements

March 31, 2000

PEACE REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2000

Statement of Management Responsibility

Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 – Three-Year Summary of Revenue and Expenses

AUDITOR'S REPORT

To the Members of the Board of Peace Regional Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the Peace Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 23, 2000

PEACE REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with generally accepted accounting principles and the financial directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Board. This Committee meets with management and the external auditor, the Auditor General of Alberta to discuss and review financial matters, and recommends the financial statements to the Peace Health Authority Board for approval. The external auditor has full and free access to the Board.

The external auditor, the Auditor General of Alberta, provides an independent audit of the financial statements. Their examination is conducted in accordance with generally accepted auditing standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Chief Executive Officer

Chief Financial Officer

PEACE REGIONAL HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 3)	$ 1,318	$ 1,948
Accounts receivable	372	208
Contributions receivable	668	95
Inventories	195	235
Prepaid expenses	184	26
Other assets (Note 6)	4	3
	2,741	2,515
Non-current cash and investments (Notes 3 and 4)	9,932	6,332
Capital assets (Note 5)	32,071	21,757
Other assets (Note 6)	240	244
	42,243	28,333
TOTAL ASSETS	$ 44,984	$ 30,848
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 272	$ 254
Accrued vacation pay	1,142	1,097
Deferred contributions (Note 7)	65	129
	1,479	1,480
Deferred capital contributions (Note 8)	7,882	4,282
Pension plan obligation (Note 9)	69	114
Unamortized external capital contributions (Note 10)	29,678	19,459
	39,108	25,335
Net assets:		
Unrestricted (Note 11)	1,433	1,165
Internally restricted (Note 12)	2,050	2,050
Investment in capital assets	2,393	2,298
	5,876	5,513
TOTAL LIABILITIES AND NET ASSETS	$ 44,984	$ 30,848

The accompanying notes and schedules are part of these financial statements.

PEACE REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 14)	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 15)	$ 21,940	$ 21,955	$ 20,101
Other government contributions (Note 16)	-	20	307
Fees and charges	1,489	1,553	1,524
Ancillary operations, net (Note 17)	20	56	54
Donations	35	135	-
Investment and other income (Note 18)	743	857	892
Amortization of external capital contributions, health operation (Note 10)	1,032	1,021	1,120
Gain on disposal of capital assets	-	15	-
TOTAL REVENUE	25,259	25,612	23,998
Expense (Schedule 1)			
Facility based inpatient services	4,547	4,672	4,474
Facility based emergency and outpatient services	767	836	816
Facility based continuing care services	3,614	3,736	3,701
Community and home based services	1,532	1,434	1,315
Diagnostic and therapeutic services	3,799	4,166	3,609
Promotion, prevention and protection services	1,581	1,578	1,522
Research and education	68	61	71
Administration (Note 19)	1,582	1,704	1,609
Information technology and wellnet (Note 20)	312	347	255
Year 2000 remedial costs (Note 21)	221	213	125
Support services (Note 22)	5,343	5,740	5,682
Amortization of facilities and improvements	974	762	987
Loss on disposal of capital assets	-	-	61
TOTAL EXPENSE	24,340	25,249	24,227
Excess (deficiency) of revenue over expense	$ 919	$ 363	$ (229)

PEACE REGIONAL HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
MARCH 31, 2000
(thousands of dollars)

	2000				1999
	Unrestricted	Internally Restricted (Note 12)	Invested in Capital Assets	Total	Total
Beginning of year	$ 1,165	$ 2,050	$ 2,298	$ 5,513	$ 5,142
Excess (deficiency) of revenue over expense	363	-	-	363	(229)
Proceeds on disposal of capital assets	25	-	(25)	-	-
Gain on disposal of capital assets	(15)	-	15	-	-
Capital assets purchased with internal funds	(466)	-	466	-	-
Donated capital assets	-	-	-	-	600
Amortization on internally funded capital assets	361	-	(361)	-	-
End of year	$ 1,433	$ 2,050	$ 2,393	$ 5,876	$ 5,513

PEACE REGIONAL HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities			
Excess (deficiency) of revenue over expense	$ 106	$ 363	$ (229)
Non-cash transactions:			
Decrease in unfunded pension obligations	-	(45)	-
Amortization of capital assets - internally funded	314	361	299
Amortization of capital assets - externally funded	1,043	1,032	1,131
Amortization of external capital contributions	(1,043)	(1,032)	(1,131)
Loss (gain) on disposal of capital assets	-	(15)	61
	420	664	131
Change in non-cash working capital account (Note 23)	-	(856)	280
Cash generated from (used by) operations	420	(192)	411
Investing activities:			
Repayment of long-term advance	-	3	3
Purchase of capital assets:			
internally funded	(450)	(466)	(332)
externally funded-facility and improvements (Note 8)	(5,000)	(10,474)	(136)
-equipment (Note 8)	-	(777)	(1,815)
donated land	-	-	(600)
Change in non-current cash and investments	-	(3,600)	(1,713)
Proceeds on disposal of capital assets	-	25	79
Cash used by investing activities	(5,450)	(15,289)	(4,514)
Financing activities:			
Capital contributions received (Note 8)	5,000	14,851	3,664
Donated land	-	-	600
Cash generated from financing activities	5,000	14,851	4,264
Increase (decrease) in cash and temporary investments	(30)	(630)	161
Cash and temporary investments, beginning of year	1,948	1,948	1,787
Cash and temporary investments, end of year	$ 1,918	$ 1,318	$ 1,948

The accompanying notes and schedules are part of these financial statements.

PEACE REGIONAL HEALTH AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000

Note 1 Authority, Purpose and Operations

The Peace Regional Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is a registered charity under the Income Tax Act.

The Authority is responsible for delivering of appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

Operations of the Authority include the following facilities and sites:

Manning Community Health Centre
Peace River Community Health Centre
McLennan Community Health Centre

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) Basis of Presentation

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when they become receivable.

(ii) Externally restricted non-capital contributions are recognized as revenue in the year when related expenses are incurred.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) Basis of Presentation (continued)

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Endowments and restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair values of costs of services are recorded. The fair value transactions recorded consist of the following:

(i) Revenue earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.

(ii) Payments from Alberta Health and Wellness directly to contracted health as services operators for health programs are recorded as revenue and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Full cost (continued)

(iii) The fair value for use of acute care facilities not owned by the Authority is recorded as revenue from other government contributions or from donations, and also recorded as program expense, since contract payments from the Authority do not include an amount for use of these facilities.

(iv) The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(v) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expense in these financial statements because fair value can not be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on the unfunded liabilities; amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the pension plans' total unfunded liability to participating employers.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(d) Investments

Temporary investments are recorded at lower of cost and market.

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realised on disposal are recognized in the period of disposal.

Where there has been a loss in the value of an investment other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial Instruments

The carrying value of accounts receivable, contributions receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

(f) Inventories

Inventories are valued at the lower of cost or net realizable value.

(g) Capital Assets

Capital assets and construction projects in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Land improvements	20 years
Buildings	40 years
Building service equipment	20 years
Equipment, building service equipment and vehicles	5-20 years

Construction projects in progress are not amortized until the project is complete.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(h) Restructuring Costs

Restructuring costs are charged to expenses in the period the decision to restructure is made. If actual costs are unknown at the time of the decision, then an estimate is recorded.

Note 3 Cash and Investments

	2000	1999
	(thousands of dollars)	
Cash	$ 6,810	$ 3,977
Guaranteed investment certificates	4,440	4,303
	$ 11,250	$ 8,280

Cash includes amounts totalling $356,000 (1999 - $610,000) held in current accounts and earning interest at prime minus 2.25%. The remaining cash represents certain unspent restricted contributions, mainly for capital construction, and interest accrues to the contributor.

Guaranteed investment certificates are as follows:

$ 909,779 at 5.25% matures on November 14, 2000
3,530,447 at an average rate of 6% matures on November 9, 2004.
$ 4,440,226

Guaranteed investment certificates are guaranteed by the Province of Alberta.

Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk is comprised of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value with future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

To earn the optimal financial returns at an acceptable level of risk, management has invested in a five-year term certificate.

Note 3 Cash and Investments (continued)

Cash and investments are presented on the statement of financial position as follows:

	2000	1999
	(thousands of dollars)	
Cash and temporary investments	$ 1,318	$ 1,948
Non-current cash and investments	9,932	6,332
	$ 11,250	$ 8,280

Note 4 Non-Current Cash and Investments

Non-current cash and investments represent the following:

	2000	1999
	(thousands of dollars)	
Externally restricted for capital acquisitions	$ 7,882	$ 4,282
Internally restricted for capital acquisitions	785	785
Internally restricted for community capital funds	1,265	1,265
	$ 9,932	$ 6,332

Note 5 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(thousands of dollars)			
Land	$ 1,005		$ 1,005	$ 1,005
Land improvements	839	832	7	22
Buildings	31,874	16,197	15,677	16,425
Equipment, building service equipment, and vehicles	7,127	4,822	2,305	1,628
Construction in progress	13,077		13,077	2,677
	$ 53,922	$ 21,851	$ 32,071	$ 21,757

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$ 29,678	$ 19,459
Internally funded (invested in capital assets)	2,393	2,298
	$ 32,071	$ 21,757

Note 6 Other Assets

The Authority has advanced $250,000 to the Falher and Area Community Association for professional services to facilitate the construction of a medical clinic. The advance is secured by a first charge on the land, building, furniture and equipment, and a general security agreement. Repayment terms require blended monthly payments of $1,448 principal and interest at the rate of 5.75%, with an interest renewal date in March of the year 2003. The advance is amortized over thirty years.

	2000	1999
	(thousands of dollars)	
Current portion	$ 4	$ 3
Long-term portion	240	244
total amount due to the Authority	$ 244	$ 247

Note 6 Other Assets (continued)

Principal repayments in the next five years are as follows:

2001	3,788
2002	4,009
2003	4,243
2004	4,490
2005	4,752

Note 7 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions for:		
Year 2000	$ -	$ 4
Other government contributions	20	45
	20	49
Amounts recognized as revenue:		
Alberta Health and Wellness contributions (Note 15)	(201)	(125)
Other government contributions (Note 16)	(20)	(1)
Amounts previously deferred but written off	-	(25)
Amounts transferred (to) from deferred capital contributions (Note 8)	137	(475)
Change during the year	(64)	(577)
Balance, beginning of year	129	706
Balance, end of year	$ 65	$ 129

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Current:		
Year 2000 funding	$ -	$ 74
Inpatient records	40	20
Nurse calling station	25	25
Feasibility study	-	10
	$ 65	$ 129

Note 8 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(a) (ii).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Restricted Alberta Health and Wellness contributions	$ 926	$ -
Restricted other government contributions	13,800	3,189
Transferred (to) from deferred contributions (Note 7)	(137)	475
Donations restricted for capital purposes	262	-
	14,851	3,664
Transferred to:		
Unamortized external capital contributions (Note 10)	(11,251)	(1,951)
Change during the year	3,600	1,713
Balance, beginning of year	4,282	2,569
Balance, end of year	$ 7,882	$ 4,282

Balance at end of year is restricted for the following purposes:

	2000	1999
New construction	$ 6,454	$ 3,173
Community funds restricted for capital purposes	799	814
Equipment replacement	629	295
	$ 7,882	$ 4,282

Note 9 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan, which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by actuarial valuations as at December 31, 1998 and extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Sector Pension Plans Act specifies the basis on which to determine the total unfunded liability amount for each plan that will be funded by employers.

In January 2000, all staff who participated in the Public Service Pension Plan was transferred to the Local Authority Pension Plan. This transfer has resulted in the elimination of the Public Service Pension Plan's obligation and an increase in the Local Authority Pension Plan's obligation.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 69	$ 45
Public Service Pension Plan	-	69
	$ 69	$ 114

The decrease in pension plan obligation has been presented as follows:

	2000	1999
	(thousands of dollars)	
Allocated to programs	$ 45	$ -

Note 10 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2(a)(ii). The balance at end of year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	$ 19,459	$ 18,639
Add amounts transferred from deferred capital contributions (Note 8)	11,251	1,951
Less amounts recognized as revenue	(1,032)	(1,131)
	$ 29,678	$ 19,459

Amortization of external capital contributions recognized as revenue as follows:

	2000	1999
	(thousands of dollars)	
Health operations	$ 1,021	$ 1,120
Ancillary operations (Note 17)	11	11
	$ 1,032	$ 1,131

Note 11 Unrestricted and Internally restricted net assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
	(thousands of dollars)	
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ 1,413	$ 1,413
Changes since regionalization:		
Cumulative operating surplus	3,913	3,550
Invested in capital assets (net of amortization)	(1,843)	(1,748)
Balance	$ 3,483	$ 3,215
Unrestricted	$ 1,433	$ 1,165
Internally restricted	2,050	2,050
	$ 3,483	$ 3,215

Note 12 Internally Restricted Net Assets

Net assets internally restricted represent amounts restricted by the Authority for the following purposes:

	2000	1999
	(thousands of dollars)	
Future equipment replacement	$ 785	$ 785
Community funds restricted for capital purposes	1,265	1,265
	$ 2,050	$ 2,050

Note 13 Commitments and Contingencies

The Authority is replacing the Peace River Community Health Center with a new facility estimated to cost $27 million. The Minister of Health and Wellness and the Minister of Infrastructure have committed the Province to full funding support. At March 31, 2000, the Authority has expended approximately $12.8 million in construction costs and has unspent funds of $6.4 million provided by Alberta Infrastructure.

Note 14 Budget

	Approved Budget 2000	Additional Funding	Adjustments	Reported Budget
	(thousands of dollars)			
Revenue:				
Alberta Health and Wellness contributions	$ 21,127	$ 813	$ -	$ 21,940
Other government contributions	-	-	-	-
Fees and charges	1,489	-	-	1,489
Net ancillary operations	20	-	-	20
Donations	35	-	-	35
Investment and other revenue	743	-	-	743
Amortization of deferred capital contributions	1,032	-	-	1,032
	24,446	813	-	25,259
Expense:				
Facility based inpatient services	4,547	-	-	4,547
Facility based emergency and outpatient services	767	-	-	767
Facility based continuing care services	3,614	-	-	3,614
Community and home based services	1,532	-	-	1,532
Diagnostic and therapeutic services	3,799	-	-	3,799
Promotion, prevention and protection services	1,581	-	-	1,581
Research and education	68	-	-	68
Administration	2,115	-	(533)	1,582
Information technology and wellnet	-	-	312	312
Year 2000 remedial costs	-	-	221	221
Support services	5,343	-	-	5,343
Amortization of facilities and improvements	974	-	-	974
	24,340	-	-	24,340
Excess of revenue over expense	$ 106	$ 813	$ -	$ 919

Note 14 Budget (continued)

(1) The budget was submitted to the Minister of Health and Wellness for approval on June 30, 1999. The budget was approved in January of 2000.

(2) In March of 2000, the Minister of Health and Wellness provided additional funding.

(3) Reclassifications have been made to conform with the 2000 presentation of expense.

Note 15 Alberta Health and Wellness Contributions

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted contributions	$ 21,940	$ 21,754	$ 19,976
Transfers from deferred contributions (Note 7)	-	201	125
	$ 21,940	$ 21,955	$ 20,101

Note 16 Other Government Contributions

	Budget	2000	1999
	(thousands of dollars)		
Alberta Infrastructure:			
Feasibility studies (Note 7)	$ -	$ 20	$ 1
Funding to complete flood damage repairs	-	-	119
Federal government	-	-	187
	$ -	$ 20	$ 307

Note 17 Ancillary Operations

	2000				1999
	Non-Patient Food Services Operations	Other Operations	Total	Budget	Total
	(thousands of dollars)				
Revenue					
Revenues	$ 279	$ 89	$ 368	$ 325	$ 368
Amortization of external capital contributions		11	11	11	11
	279	100	379	336	379
Expense					
Other expense	210	88	298	291	300
Amortization	-	25	25	25	25
	210	113	323	316	325
Excess (deficiency) of revenue over direct expense 1999-00	$ 69	$ (13)	$ 56	$ 20	$ 54
Excess (deficiency) of revenue over direct expense 1998-99	$ 62	$ (8)	$ 54	$ (8)	$ -

Note 18 Investment and Other Income

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted investment income	$ 350	$ 328	$ 373
Other income	393	529	519
	$ 743	$ 857	$ 892

Investment income is comprised of interest on guaranteed investment certificates.

Other income is comprised of miscellaneous recoveries, and miscellaneous fees for services rendered by the Authority.

Note 19 Administration

	Budget	2000	1999
	(thousands of dollars)		
General administration	$ 1,063	$ 1,177	$ 1,089
Finance	362	364	357
Personnel	157	163	163
	$ 1,582	$ 1,704	$ 1,609

Note 20 Information Technology and Alberta Wellnet

	Budget	2000	1999
	(thousands of dollars)		
Alberta Wellnet	$ 102	$ 102	$ -
Information systems support	210	245	255
	$ 312	$ 347	$ 255

Alberta Wellnet is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-diciplinary teams to put information technology to work to improve health service delivery to all Albertans. Alberta Wellnet brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or develop applications to support Wellnet initiatives. In accordance with generally accepted accounting principles, all expenditures have been expensed.

Note 21 Year 2000 remedial costs

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information-using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issues affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 22 Support Services

	Budget	2000	1999
	(thousands of dollars)		
Amortization	$ 165	$ 132	$ 115
Building maintenance, operations and security	1,244	1,314	1,464
Communications	172	262	185
Education	165	178	160
Housekeeping	720	791	734
Laundry and linen	361	386	367
Materials management	168	180	316
Central supply room	146	151	-
Patient food services	1,213	1,268	1,283
Patient health records	431	421	465
Patient registration	301	322	294
Patient transportation	190	271	202
Volunteer services	67	64	97
	$ 5,343	$ 5,740	$ 5,682

Note 23 Changes in Non-Cash Working Capital Accounts

	2000	1999
	(thousands of dollars)	
Accounts receivable (including contributions receivable)	$ (737)	$ 681
Inventories	40	99
Prepaid expenses	(158)	(10)
Accounts payable	18	(33)
Accrued vacation pay	45	120
Deferred contributions	(64)	(577)
	$ (856)	$ 280

Note 24 Related Parties

(a) The Authority is established under the Regional Health Authorities Act. The Minister of Health appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the statement of operations and Notes 7,8,15 & 16.

(b) Ladies Auxiliary Gift Shop

The Ladies Auxiliary operates gift shops and donates funds to the Authority. The amounts related to these activities are not material in context of the Authority's operations.

Note 25 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 26 Approval of Financial Statements

The Authority has approved these financial statements.

Schedule 1

PEACE REGIONAL HEALTH AUTHORITY
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance(Schedule 2)	$ 16,213	$ 17,193	$ 16,296
Drugs, gases, medical and surgical supplies	706	759	905
Consulting services	942	1,023	722
Other	5,222	5,204	5,140
Loss on disposal of capital assets	-	-	61
Amortization of capital assets:			
Equipment	599	631	441
Facilities and improvements	974	762	987
	24,656	25,572	24,552
Less amounts reported in ancillary operations (Note 17)	(316)	(323)	(325)
	$ 24,340	$ 25,249	$ 24,227

Schedule 2

PEACE REGIONAL HEALTH AUTHORITY
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999	
					Severance				
	Number of Individuals[1]	Salaries and Honoraria[2]	Benefits and Allowances[3]	Sub-total	Number of Individuals	Amount	Total	Number of Individuals[1]	Total
Authority/Board Compensation									
RHA Chairperson Eric Walt	1		$ 33	$ 33	-	-	33	1	$ 25
A. Atkinson	1		4	4	-	-	4	1	5
D. Frith	1		7	7			7	1	4
K. Gall	1		8	8			8	1	6
D. Harbourne	1		10	10			10	1	7
C. Jones	1		9	9	-	-	9	1	7
B. Kruse	1		6	6	-	-	6	1	5
M. Laboucan	1		2	2	-	-	2	-	-
L. Meardi	1		7	7	-	-	7	1	6
F. Turcotte	1		4	4	-	-	4	1	2
R. Laboucan			-	-	-	-	-	1	3
E. Lavoie			-	-	-	-	-	1	1
F. Weaver			-	-			-	1	2
			-	-			-		-
Total honoraria	10	-	90	90	-	-	90	12	73
Staff									
Chief Executive Officer	1.0	87	15	102	-	-	102	1.0	99
Senior Team Manager	1.0	73	13	86	-	-	86	1.0	81
Senior Team Manager	1.0	73	13	86	-	-	86	1.0	81
Senior Team Manager	1.0	73	13	86	-	-	86	1.0	81
Senior Team Manager	0.82	60	11	71	0.82	21	92	1.0	80
Other management person(s) reporting to those above (avg. 2000 $66, avg. 1999 $59)	7.0	405	64	469	-	-	469	6.5	386
Regulated nurses not included above (avg. 2000 $55, avg. 1999 $52)	122.7	5,828	922	6,750	-	-	6,750	122.8	6,450
Other health technical and professionals (avg. 2000 $55, avg. 1999 $60)	46.8	2,204	354	2,559	-	-	2,559	40.5	2,436
Unregulated health service providers (avg. 2000 $28, avg. 1999 $28)	70.8	1,704	269	1,973	8	99	2,072	70.7	1,980
Other staff (avg. 2000 $32, avg. 1999 $30)	149.8	4,173	673	4,846	-	-	4,846	151.5	4,549
Pension obligation adjustment			(45)	(45)			(45)		-
	401.9	14,680	2,302	16,983	8.82	120	17,103	397.0	16,223
Total		$ 14,680	$ 2,392	$ 17,073		$ 120	$ 17,193		$ 16,296

Schedule 2 (continued)

PEACE REGIONAL HEALTH AUTHORITY

SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCES

FOR THE YEAR ENDED MARCH 31, 2000

[1] Full time equivalent (FTE) has been determined as follows:

a) For those employees governed by the UNA collective bargaining agreement, An FTE is considered to be 1920 hours of work per annum.
b) For those employees governed by the UNA Community collective bargaining Agreement, an FTE is considered to be 1827 hours of work per annum.
c) For all other employees, an FTE is considered to be 2023 hours of work per annum.

Total actual discrete number of individuals employed: 557 (1999 – 555).

[2] Salaries includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

[3] Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

[4] Severance includes:

All monies paid directly or on behalf of an employee upon termination which are not included in salaries and benefits.

Schedule 3

PEACE REGIONAL HEALTH AUTHORITY
THREE YEAR SUMMARY OF REVENUES AND EXPENSES
FOR THE PERIOD COMMENCING APRIL 1, 1997

(thousands of dollars)

	Actual		
	2000	1999	1998
Revenue:			
Alberta Health and Wellness contributions	$ 21,955	$ 20,101	$ 19,455
Other government contributions	20	307	82
Fees and charges	1,553	1,524	1,533
Ancillary operations, net	56	54	39
Donations	135	-	-
Investment and other income	857	892	833
Amortization of external capital contributions	1,021	1,120	1,032
Gain on disposal of capital assets	15	-	-
	25,612	23,998	22,974
Expense:			
Facility based inpatient acute services	4,672	4,474	3,934
Facility based emerg. and outpatient services	836	816	790
Facility based continuing care services	3,736	3,701	3,480
Community and home based services	1,434	1,315	1,136
Diagnostic and therapeutic services	4,166	3,609	3,308
Promotion, prevention and protection services	1,578	1,522	1,355
Research and education	61	71	61
Administration	1,704	1,609	1,825
Information technology and wellnet	347	255	304
Year 2000 remedial costs	213	125	-
Support services	5,740	5,682	5,057
Amortization of facilities and improvements	762	987	974
Loss on disposal of capital assets	-	61	-
	25,249	24,227	22,224
Excess (deficiency) of revenue over expense	$ 363	$ (229)	$ 750

Pro-forma results are not required, as there were no boundary changes or transfers of programs or services during this three-year period.

Keeweetinok Lakes
Regional Health
Authority #15
Financial Statements
March 31, 2000

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Keeweetinok Lakes Regional Health Authority #15
Management's Responsibility for Financial Reporting
Financial Statements
March 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Committee of the Whole. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters and recommends the financial statements to the Keeweetinok Lakes Regional Health Authority #15 Board for approval. The Auditor General has full and free access to the Committee of the Whole.

The Auditor General of Alberta, provides an independent audit of the financial statements. His examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Brenda Langevin
Chief Executive Officer

C. B. Cottingham
Chief Financial Officer

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Keeweetinok Lakes Regional Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the Keeweetinok Lakes Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
June 7, 2000

Keeweetinok Lakes Regional Health Authority #15
Statement of Financial Position

March 31.

(Thousands of dollars)

	2000	1999 (as restated note 3)
Assets		
Current		
Cash and temporary investments (Note 4)	$ 6,688	$ 5,006
Accounts receivable	502	313
Contributions receivable	730	248
Inventories	226	245
Prepaid expenses	92	21
	8,238	5,833
Non current cash and investments (Note 4)	1,851	1,082
Capital assets (Note 5)	30,546	31,570
	$ 40,635	$ 38,485
Liabilities		
Current		
Accounts payable	$ 1,512	$ 1,428
Accrued vacation pay	766	697
Deferred contributions (Note 6)	1,483	662
	3,761	2,787
Deferred contributions (Note 6)	534	26
Deferred capital contributions (Note 7)	229	75
Pension plan obligation (Note 8)	44	65
Unamortized external capital contributions (Note 9)	27,678	28,087
	32,246	31,040
Net assets		
Unrestricted (Note 10)	3,899	2,955
Internally restricted (Note 11)	1,622	1,007
Investments in capital assets	2,868	3,483
	8,389	7,445
	$ 40,635	$ 38,485

The accompanying notes and schedules are part of these financial statements.

Keeweetinok Lakes Regional Health Authority #15
Statement of Operations

Year Ended March 31, 2000
(Thousands of dollars)

	2000		1999 (as restated note 3)
	Budget (Note 12)	Actual	Actual
Revenue			
Alberta Health and Wellness contributions (Note 13)	$ 18,867	$ 19,034	$ 16,578
Other Government contributions (Note 14)	-	371	229
Fees and charges	928	1,124	1,039
Ancillary operations, net (Note 15)	-	141	75
Donations	-	53	166
Investment and other income (Note 16)	632	737	799
Amortization of external capital contributions	764	1,047	996
	21,191	22,507	19,882
Expenses (Schedule 1)			
Facility based inpatient acute services	3,170	3,391	3,208
Facility based emergency and outpatient services	1,446	1,521	1,414
Facility based continuing care services	1,248	1,116	1,095
Community and home based services	1,247	1,127	1,106
Diagnostic and therapeutic services	3,139	3,179	3,015
Promotion, prevention and protection services	1,703	1,831	1,602
Administration (Note 17)	1,244	1,290	1,177
Information technology and we//net (Note 18)	254	263	189
Y2K remedial costs (Note 19)	144	350	70
Support services (Note 20)	5,672	6,648	5,917
Amortization of facilities and improvements	764	847	816
	20,031	21,563	19,609
Excess of revenue over expenses	$ 1,160	$ 944	$ 273

The accompanying notes and schedules are part of the financial statements.

Keeweetinok Lakes Regional Health Authority #15
Statement of Changes in Net Assets

March 31, 2000
(thousands of dollars)

	2000				1999 (as restated note 3)
	Unrestricted (Note 10)	Internally Restricted (Note 11)	Invested in Capital Assets	Total	Total
Excess of revenue over expenses	$ 944	$	$	$ 944	$ 273
Capital assets purchased with internal funds		(240)	240	-	-
Amortization on internally funded capital assets	855	-	(855)	-	-
Transfer to internally restricted	(855)	855	-	-	-
Net change to unrestricted net assets	$ 944				
Balance at beginning of year, as restated (note 3)	2,955	1,007	3,483	7,445	7,172
Balance at end of year	$ 3,899	$ 1,622	$ 2,868	$ 8,389	$ 7,445

The accompanying notes and schedules are part of the financial statements.

Keeweetinok Lakes Regional Health Authority #15
Statement of Cash Flows

Year Ended March 31, 2000
(thousands of dollars)

	2000		1999 (as restated note 3)
	Budget (note 12)	Actual	Actual
Cash generated from (used by)			
Operating activities			
Excess of revenue over expenses	$ 1,160	$ 944	$ 273
Non-cash transactions			
Decrease in unfunded pension obligations		(21)	(4)
Amortization of capital equipment - internally funded	750	855	824
- externally funded	154	216	186
Amortization of facilities and improvements	764	872	852
Amortization of external capital contributions	(764)	(1,088)	(1038)
	2,064	1,778	1,093
Change in non-cash working capital account (Note 21)	(388)	231	922
Cash generated from operations	1,676	2,009	2,015
Investing activities			
Net change in non current cash and investments	-	(769)	2,535
Purchase of capital assets:			
Internally funded - equipment	(221)	(240)	(1,946)
Externally funded - equipment	-	(231)	(140)
- facilities and improvements	-	(448)	(1,143)
Cash generated by investing activities	(221)	(1,688)	(694)
Financing activities			
Capital contributions received (Note 7)	362	833	528
Principal payments on long-term debt	-	-	(11)
Net change in non-current deferred contributions	-	508	(909)
Cash generated by financing activities	362	1,341	(392)
Increase in cash and temporary investments	1,817	1,662	929
Cash and temporary investments, beginning of year	5,006	5,006	4,077
Cash and temporary investments, end of year	$ 6,823	$ 6,668	$ 5,006

The accompanying notes and schedules are part of the financial statements

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000

Note 1 Authority, Purpose and Operations

The Keeweetinok Lakes Regional Health Authority #15 (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in Alberta. This responsibility includes the operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The operations of the Authority include the following facilities and sites:

- High Prairie Health Complex
- Slave Lake Health Complex
- Wabasca/Desmarais General Hospital
- J.B. Wood Extended Care Unit
- Keeweetinok Lakes Regional Health Authority #15 Ambulance Program
- Community Health Services Offices located at the following sites:
    - High Prairie
    - Slave Lake
    - Desmarais
    - Kinuso
    - Gift Lake
    - Red Earth Creek
    - Loon Lake
    - Trout Lake
    - Peerless Lake

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) Basis of Presentation

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when received or receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in they year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000

(a) Basis of Presentation (continued)

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full Cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair values of costs of services are recorded. The fair value transactions recorded consist of the following:

(i) The fair value for the use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

(ii) Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expense in these financial statements because fair value can not be reasonably determined.

(c) Pension Plan Expense and Obligation

The authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents it's portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based on the ratio of pensionable earnings of the Authority's employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000

(c) Pension Plan Expense and Obligation (continued)

The pension expense included in salaries, benefits and allowances comprises: the cost of benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the pension plans' total unfunded liability to participating employers.

(d) Investments

Temporary investments are recorded at cost, which approximates market value.

(e) Financial Instruments

The carrying value of accounts receivable, accounts payable and accrued liabilities approximates their fair book value because of the short-term maturity of these items.

(f) Inventories

Inventories are valued at the lower of cost or net realizable value.

(g) Capital Assets

Capital assets and construction projects in progress are recorded at cost.

Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Buildings	40 years
Land improvements	20 years
Building service equipment	20 years
Vehicles and equipment	5-20 years

Construction projects in progress are not amortized until the project is complete.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 3 Prior Period Adjustment

a) In prior years, revenue of the Authority from certain fees and charges were recorded as funds received on behalf of Alberta Health and Wellness and included as part of accounts payable.

b) Certain unrestricted funds acquired at regionalization at April 1, 1995 were recorded as restricted funds and have been included as part of deferred contributions since that date.

Adjustments have been made to the current and prior year accounting records and, prior year amounts disclosed in these financial statements have been restated as follows:

	As Previously Reported	Adjustment (a)	Adjustment (b)	As Restated
Net assets April 1, 1998	$ 5,990	$ 986	$ 196	$ 7,172
Excess of revenue over expenditure year ended March 31, 1999	103	170	-	273
Net assets March 31, 1999	$ 6,093	$ 1,156	$ 196	$ 7,445
Accounts payable March 31, 1999	$ 2,584	$ (1,156)		$ 1,428
Deferred contributions	$ 222		$ (196)	$ 26

If these adjustments had not been made, unrestricted net assets and total net assets at March 31, 2000 would have decreased by $1,352; and accounts payable and deferred contributions at March 31, 2000 would have increased by $1,156 and $196 respectively.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 4 Cash and Temporary Investments

Cash and temporary investments are presented on the balance sheet as follows:

	2000	1999
Cash and temporary investments	$ 6,688	$ 5,006
Non current cash and temporary investments	1,851	1,082
	$ 8,539	$ 6,088

Guaranteed investment certificates which mature monthly are guaranteed by the Province of Alberta. Interest rates vary and are paid at maturity.

Non current cash represents deferred capital contributions received in the amount of $229(1999 - $75) and other internally restricted funds in the amount of $1,622 (1999 - $1,007).

Note 5 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 289	$ -	$ 289	$ 289
Buildings	33,733	7,802	25,931	26,391
Equipment & Vehicles	10,984	7,390	3,594	4,168
Land Improvements	575	428	147	157
Construction In Progress	585	-	585	565
	$ 46,166	$ 15,620	$ 30,546	$ 31,570

Capital assets have been funded from the following sources:

	2000	1999
Externally funded (unamortized external capital contributions)	$ 27,678	$ 28,087
Internally funded (invested in capital assets)	2,868	3,483
	$ 30,546	$ 31,570

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 6 Deferred Contributions

	2000	1999
Amounts received:		
Alberta Health and Wellness contributions	$ 774	$ -
Primary Care	166	-
Donations	607	107
Government of Canada – H.I.S.P.	195	205
Alberta Infrastructure	320	-
Investments and other revenue	-	17
	2,062	329
Amounts recognized as revenue:		
Telehealth (Note 16)	-	(158)
Interest on local responsibility funds (Note 16)	-	(132)
Alberta Health and Wellness Contributions - Year 2000 (Note 13)	(312)	(70)
Government of Canada - H.I.S.P. (Note 16)	(131)	(42)
Donations	(31)	-
Returned to Alberta Infrastructure	-	(6)
Return of local responsibility funds	-	(288)
Amounts deferred in previous years but written off	(26)	(160)
Amounts transferred to deferred capital contributions (Note 7)	(233)	(140)
Change during the year	1,329	(667)
Balance, beginning of year	688	1,355
	$ 2,017	$ 688

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Current:		
Year 2000 funds	$ 38	$ 417
H.I.S.P	40	141
Alberta Infrastructure	320	-
Alberta Health and Wellness	940	-
Donations	145	104
	1,483	662
Long-term:		
Donations	534	-
Other	-	26
	534	26
	$ 2,017	$ 688

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 7 Deferred Capital Contributions

Deferred capital contributions balance represents amounts acccounted for in accordance with accounting policy described in Note 2 (a)(iii).

	2000	1999
Amounts received:		
Restricted capital contributions	$ 600	$ 388
Transferred from deferred contributions (Note 6)	233	140
Transferred to:		
Unamortized external capital contributions (Note 9)	(679)	(1,283)
Change during the year	154	(755)
Balance, beginning of year	75	830
Balance, end of year	$ 229	$ 75
Balance at end of year is restricted for the Following purposes:		
Betterment of capital assets	$ 229	$ 75
New Construction	-	-
	$ 229	$ 75

Note 8 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 8 Pension Plan Obligation (continued)

The Public Sector Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan that will be funded by employers.

The pension plan obligation is represented as follows:

	2000	1999
Local Authorities Pension Plan	$ 39	$ 35
Public Service Pension Plan	5	30
	$ 44	$ 65

The decrease in pension plan obligation has been presented as follows:

	2000	1999
Allocated to programs	$ 21	$ 4
Other pension adjustments	-	-
	$ 21	$ 4

Note 9 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2 (a)(iii). The balance at end of year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
Balance at beginning of year	$ 28,087	$ 27,842
Add amounts transferred from		
Deferred capital contributions (Note 7)	679	1,283
Less amounts recognized as revenue:		
General operations	(1,047)	(996)
Ancillary operations (Note 15)	(41)	(42)
Capital asset writedown	-	-
	$ 27,678	$ 28,087

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements

March 31, 2000
(Thousands of dollars)

Note 10 Unrestricted and Internally Restricted Net Assets

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
Unrestricted and internally restricted net assets at regionalization – April 1, 1995	$ 1,833	$ 1,833
Changes since regionalization		
Cumulative operating surplus (deficit)	4,037	3,093
Invested in capital assets (net of amortization)	(313)	(928)
Repayment of long-term debt	(36)	(36)
	$ 5,521	$ 3,962
Unrestricted	$ 3,899	$ 2,955
Internally restricted	1,622	1,007
	$ 5,521	$ 3,962

Note 11 Internally Restricted Net Assets

Net assets internally restricted represent amounts restricted by the Authority for the following purposes:

	2000	1999
Future equipment replacement	$ 1,622	$ 1,007

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements

March 31, 2000
(Thousands of dollars)

Note 12 Budget

	Approved Budget (1)	Additional Funding (2)	Adjustments (3)	Reported Budget
Revenue:				
Alberta Health and Wellness contributions	$17,712	$1,155	$0	$18,867
Other government contributions	-			0
Fees and charges	928			928
Investment and other revenue	632			632
Amortization of external capital contributions	764			764
	20,036	1,155	0	21,191
Expenses:				
Facility based inpatient acute services	3,179		-9	3,170
Facility based emergency and outpatient services	1,455		-9	1,446
Facility based continuing care services	1,252		-4	1,248
Community and home based services	1,260		-13	1,247
Diagnostic and therapeutic services	3,158		-19	3,139
Promotion, prevention and protection services	1,727		-24	1,703
Administration	1,401		-157	1,244
Information technology and we//net			254	254
Y2K remedial costs			144	144
Support services	5,835		-163	5,672
Amortization of facilities and improvements	764			764
	20,031	0	0	20,031
Excess of revenues over expenses	$5	$1,155	$0	$1,160

(1) The budget was approved by the Board of the Authority in April, 1999, and approved by the Minister of Health and Wellness

(2) In December, 1999, the Minister of Health and Wellness provided additional funding.

(3) Adjustments were made to the budget to reflect Y2K costs and revenues, and to reallocate expenditures to Information technology and we//net.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements

March 31, 2000
(Thousands of dollars)

Note 13 Alberta Health and Wellness Contributions

	Budget	2000	1999
Unrestricted contributions	$ 18,723	$ 18,722	$ 16,508
Transferred from deferred contributions (Note 6)	144	312	70
	$ 18,867	$ 19,034	$ 16,578

Note 14 Other Government Contributions

	Budget	2000	1999
Alberta Infrastructure			
Fair value of rent less rent charges for non-acute care facilities used by the Authority	$ -	$ 37	$ 37
Repairs and Maintenance	-	296	-
Federal Government - Primary care	-	15	117
Alberta Mental Health Board	-	23	75
	$ -	$ 371	$ 229

Note 15 Ancillary Operations

	2000					1999
	Non-Patient Food Services	Rental Operations	Ambulance	Total	Budget	Total
Revenues						
Revenues	$ 143	$ 89	$ 1,204	$ 1,436	$ 1,150	$ 1,418
Amortization of external capital contributions	-	41	-	41	40	42
	143	130	1,204	1,477	1,190	1,460
Expenses						
Other expenses	143	79	1,047	1,269	1,145	1,321
Amortization	-	44	23	67	45	64
	143	123	1,070	1,336	1,190	1,385
Excess (deficiency) of revenues over direct expenses 99/00	$ -	$ 7	$ 134	$ 141	$ -	$ 75
Excess (deficiency) of revenues over direct expenses 98/99	$ -	$ (21)	$ 96	$ 75	$ -	

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements

March 31, 2000
(Thousands of dollars)

Note 16 Investment and Other Income

	Budget	2000	1999
Unrestricted investment income	$ 260	$ 321	$ 312
Telehealth	-	-	158
Interest on local responsibility funds	-	-	132
Government of Canada – H.I.S.P.	-	131	42
Other income	372	285	155
	$ 632	$ 737	$ 799

Investment income is comprised of interest, dividends amortization of discount and premiums, and net gains on disposal of investments.

Other income is comprised of miscellaneous recoveries.

Note 17 Administration

	Budget	2000	1999
General administration	$ 761	$ 843	$ 745
Finance	217	205	204
Personnel	266	242	228
	$ 1,244	$ 1,290	$ 1,177

Note 18 Information technology and alberta we//net

	Budget	2000	1999
alberta we//net	$ 80	$ 99	$ 80
Information systems support	174	164	109
	$ 254	$ 263	$ 189

alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve the delivery of health services to all Albertans. Alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999 – 2000, or to develop applications to support we//net initiatives. In accordance with generally accepted accounting principles, $99 (1999 - $80) have been expensed.

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 19 Y2K remedial costs

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 20 Support Services

	Budget	2000	1999
Building maintenance, operations, and security	$ 1,477	$ 1,781	$ 1,231
Communications	674	634	826
Education	121	129	115
Housekeeping	652	722	637
Laundry and linen	274	377	315
Materials management	156	134	143
Patient food services	1,148	1,079	987
Patient health records	625	626	606
Patient registration	164	239	207
Patient transportation	381	412	301
Telehealth	-	546	549
	$ 5,672	$ 6,648	$ 5,917

Note 21 Changes in Non-Cash Working Capital Accounts

	2000	1999
Accounts receivable	$ (189)	$ 702
Contributions receivable	(482)	
Inventories	19	4
Prepaid expenses	(71)	12
Accounts payable	84	(43)
Accrued vacation pay	69	5
Current portion of deferred contributions	821	242
	$ 251	$ 922

Keeweetinok Lakes Regional Health Authority #15
Notes to the Financial Statements
March 31, 2000
(Thousands of dollars)

Note 22 Measurement Uncertainty

The financial statements by their nature contain estimates and are subject to measurement uncertainty. The accounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect, on the financial statements, of changes in such that estimates in future periods could be significant.

Note 23 Related Party Transactions

The Authority is established under the Regional Health Authority Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the province are disclosed in the statement of operations and notes 6, 7, 12, 13 and 14.

Note 24 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 25 Approval of Financial Statements

The Authority has approved these financial statements.

Schedule 1 - Expenses by Object

For the year ended March 31, 2000
(Thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance (Schedule 2)	$ 13,014	$ 13,316	$ 13,056
Drugs, gases, medical and surgical supplies	854	975	961
Consulting services	578	664	666
Other	5,238	6,001	4,449
Amortization:			
Equipment	773	1,047	1,010
Facilities and improvements	764	896	852
Capital assets writedowns	-	-	-
	21,221	22,899	20,994
Less amounts reported in ancillary operations (Note 15)	(1,190)	(1,336)	(1,385)
	$ 20,031	$ 21,563	$ 19,609

Keeweetinok Lakes Regional Health Authority #15
Schedule 2 - Salaries, Benefits, Allowances and Severance

For the year ended March 31, 2000
(Thousands of dollars)

	2000				1999	
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Total	Number of Individuals (1)	Salaries and Allowances (2)(3)
Authority Compensation						
RHA Chairperson						
Cox, Sharon		$ 34	$ 2	$ 36		$ 27
RHA Members						
Alook, James		-	-	-		2
Canfelle, Darlene		-	-	-		1
Chalifoux, Julie		-	-	-		2
Couch, Lois		-	-	-		6
Johnson, Valerie		11	1	12		11
Laboucan, Earl		8	-	8		3
Laderoute, Jenny		5	1	6		6
Letendre, Paul		-	-	-		1
Norberg, Evelyn		12	1	13		9
Reid, Alice		-	-	-		4
Ruecker, Gary		13	1	14		6
White, Wyonne		-	-	-		5
Woitalu, Marian		-	-	-		5
Yellowknee, Solomon		12	-	12		8
Total Honoraria		95	6	101		96
Staff						
Chief Executive Officer	1.0	86	11	97	1.0	99
Medical Officers						
Regional Medical Officer of Health	1.0	58	-	58	1.0	36
Regional Medical Director	1.0	55	-	56	1.0	46
Management persons reporting to the CEO						
Director Corporate Services	1.0	80	11	91	1.0	90
Director Health Services	1.0	80	11	91	1.0	90
Team Manager - Health Services						
High Prairie	1.0	66	9	75	1.0	74
Slave Lake	1.0	66	9	75	1.0	74
Wabasca/Desmarais	1.0	66	9	75	1.0	74
Continuing Care	1.0	66	9	75	1.0	74
Other management persons reporting to those above (avg. 2000 - $69, avg. 1999 - $69)	5.5	340	42	382	6.5	448
Regulated nurses not included above (avg. 2000 - $53, avg. 1999 - $50)	87.4	4,082	517	4,599	90.3	4,517
Other Health Technical and Professionals (avg. 2000 - $50, avg. 1999 - $45)	69.6	3,106	381	3,487	74.9	3,373
Unregulated Health Services Providers (avg. 2000 - $28, avg. 1999 - $28)	24.5	604	93	697	25.4	721
Other Staff (avg. 2000 - $34, avg. 1999 - $33)	100.0	2,938	461	3,399	97.5	3,248
Pension obligation adjustment				(21)		(4)
	298.0	$ 11,693	$ 1,543	$ 13,215	303.6	$ 12,960
Total		$ 11,788	$ 1,549	$ 13,316		$ 13,056

Keeweetinok Lakes Regional Health Authority #15

Schedule 2 - Salaries, Benefits, Allowances and Severance (continued)

For the year ended March 31, 2000
(Thousands of dollars)

(1) Full time equivalent (FTE) has been determined as follows:
260 working days in a year times 7.75 hours/day equals 2,015 hours
Total actual discrete number of individuals employed: 374 (1999 - 379).

(2) Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances included the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation and allowances.

Keeweetinok Lakes Regional Health Authority #15

Schedule 3 – Three Year Summary of Revenue and Expenses

For the year ended March 31, 2000
(Thousands of dollars)

	Actual		
	2000	1999	1998
Revenue:			
Alberta Health and Wellness contributions	$19,034	$16,578	$15,687
Other government contributions	371	229	121
Fees and charges	1,124	1,039	1,035
Ancillary operations, net	141	75	69
Donations	53	166	15
Investment and other revenue	737	799	435
Amortization of external capital contributions	1,047	996	1,135
	22,507	19,882	18,497
Expenses:			
Facility based inpatient acute services	3,391	3,208	3,369
Facility based emergency and outpatient services	1,521	1,414	1,145
Facility based continuing care services	1,116	1,095	1,089
Community and home based services	1,127	1,106	1,004
Diagnostic and therapeutic services	3,179	3,015	2,633
Promotion, prevention and protection services	1,831	1,602	1,496
Administration	1,290	1,177	1,294
Information technology and we//net	263	189	50
Y2K remedial costs	350	70	-
Support services	6,648	5,917	5,214
Capital asset writedowns	-	-	970
Amortization of facilities and improvements	847	816	500
	21,563	19,609	18,764
Excess (deficiency) of revenue over expenses	$944	$273	($267)

A pro-forma summary of revenue and expenses is not presented as there have been no transfers of programs or boundary change for which pro-forma adjustments are necessary.

Northern Lights Regional Health Authority

Financial Statements

March 31, 2000

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2000

Statement of Management Responsibility

Auditor's Report

Statement of Financial Position

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Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 – Three -Year Summary of Revenues and Expenses

Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements have been prepared in conformity with Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Finance & Audit Committee. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Northern Lights Regional Health Authority Board for approval. The external auditor has full and free access to the Finance & Audit Committee.

The external auditor provides an independent audit of the financial statements. Their examination is conducted in accordance with Generally Accepted Auditing Standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Dated at Fort McMurray, in the Province of Alberta, this day of June, 2000.

DALTON M. RUSSELL
Chief Executive Officer

Linda Metz

LINDA METZ
Director, Finance & Information

AUDITOR'S REPORT

To the Members of the Northern Lights Regional Health Authority
and the Minister of Health and Wellness

I have audited the statement of financial position of the Northern Lights Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations and statement of changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 9, 2000

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
STATEMENT OF FINANCIAL POSITION

March 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 3)	$ 2,745	$ 2,899
Accounts receivable (Note 4)	1,146	553
Contributions receivable (Note 5)	641	30
Inventories	356	301
Prepaid expenses	255	119
	5,143	3,902
Non-current cash and investments (Note 6)	3,621	3,931
Capital assets (Note 7)	29,171	28,501
Total assets	$ 37,935	$ 36,334
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 1,826	$ 2,252
Accrued vacation pay	1,279	1,170
Deferred non-capital contributions (Note 8)	258	397
	3,363	3,819
Deferred non-capital contributions (Note 8)	7	30
Deferred capital contributions (Note 9)	3,614	3,901
Pension plan obligation (Note 10)	74	112
Unamortized external capital contributions (Note 11)	27,952	27,264
	35,010	35,126
Net assets (Note 12)		
Unrestricted	1,706	(29)
Investment in capital assets	1,219	1,237
	2,925	1,208
Total liabilities and net assets	$ 37,935	$ 36,334

The accompanying notes and schedules are part of these financial statements.

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
STATEMENT OF OPERATIONS

March 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Revenues			
Alberta Health and Wellness contributions (Note 14)	$ 27,585	$ 28,029	$ 24,658
Other government contributions (Note 15)	120	204	115
Fees and charges	2,615	2,765	1,946
Ancillary operations, net (Note 16)	(49)	(30)	(30)
Donations	-	110	136
Investment and other income (Note 17)	258	556	632
Amortization of external capital contributions health operations (Note 11)	2,029	2,266	1,818
	32,558	33,900	29,275
Expenses (Schedule 1)			
Facility based inpatient acute services	7,585	7,846	7,459
Facility based emergency and outpatient services	2,637	2,742	2,575
Facility based continuing care services	1,308	1,332	1,320
Community and home based services	932	955	881
Diagnostic and therapeutic services	6,453	6,560	6,113
Promotion, prevention and protection services	1,820	1,746	1,636
Administration (Note 18)	1,779	1,979	1,865
Information technology and we/ net (Note 19)	556	696	483
Year 2000 costs (Note 20)	115	622	268
Support services (Note 21)	6,028	5,935	5,557
Amortization of facilities and improvements, health operations	1,555	1,770	1,536
	30,768	32,183	29,693
Excess (deficiency) of revenues over expenses	$ 1,790	$ 1,717	$ (418)

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
March 31, 2000
(thousands of dollars)

	2000			1999
	Unrestricted	Invested in Capital Assets	Total	Total
Beginning of year	$ (29)	$ 1,237	$ 1,208	$ 1,626
Excess (deficiency) of revenues over expense	1,717	-	1,717	(418)
Amortization on internally funded capital assets	121	(121)	-	-
Capital assets purchased with internal funds	(112)	112	-	-
Disposal of internally funded capital assets	9	(9)	-	-
End of year	$ 1,706	$ 1,219	$ 2,925	$ 1,208

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
STATEMENT OF CASH FLOWS
March 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Cash Generated from (used by):			
Operating Activities			
Excess (deficiency) of revenues over expenses	$ 1,790	$ 1,717	$ (418)
Non-cash transactions:			
Decrease in unfunded pension obligations	-	(38)	(5)
Amortization of capital equipment - internally funded	104	91	97
Amortization of capital equipment - externally funded	468	516	310
Amortization of facilities and improvements - internally funded	-	30	30
Amortization of facilities and improvements - externally funded	1,561	1,750	1,513
Amortization of external capital contributions	(2,029)	(2,272)	(1,823)
Gain on disposal of capital assets	-	(12)	-
Changes in non-cash working capital accounts (Note 22)	(289)	(1,851)	660
Cash generated from (used by) operating activities	1,605	(69)	364
Investing activities:			
Purchase of capital assets:			
internally funded	(182)	(112)	(222)
externally funded - equipment (Note 11)	(3,778)	(699)	(1,412)
externally funded - facility and improvements (Note 11)	(2,991)	(2,261)	(276)
Proceeds on sale of capital assets	-	27	-
Allocations (from) to non-current cash and investments	207	310	(1,936)
Decrease in long-term portion of deferred non-capital contributions	-	(23)	(9)
Cash used by investing activities	(6,744)	(2,758)	(3,855)
Financing activities:			
Capital contributions received	5,907	2,598	3,752
Capital contributions - interest earned	-	75	13
Cash generated from financing activities	5,907	2,673	3,765
Increase (decrease) in cash and temporary investments	768	(154)	274
Cash and temporary investments, beginning of year	3,056	2,899	2,625
Cash and temporary investments, end of year	$ 3,824	$ 2,745	$ 2,899

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2000

Note 1 Authority, Purpose and Operations

The Northern Lights Regional Health Authority (the "Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is exempt from the payment of income tax and is also a registered charity under the Income Tax Act.

The Authority is responsible for the delivery of appropriate, accessible and affordable health services in the Northern Lights Region. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental well being.

The operations of the Authority comprise the following facility:

Northern Lights Regional Health Centre, 7 Hospital Street, Fort McMurray, Alberta.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) Basis of Presentation

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year when they become receivable.

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) Basis of Presentation (continued)

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Donations are recorded at fair value when such value can reasonably be determined.

(b) Full cost

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

Donated assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenues and expenses in these financial statements because fair value cannot be reasonably determined.

(c) Pension Plan Expense and Obligation

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by actuarial valuations. The portion is based upon the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on the unfunded liabilities; the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the plans' total unfunded liability to participating employers.

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Note 2 Significant Accounting Policies and Reporting Practices (continued)

(d) Investments

Temporary investments are recorded at the lower of cost and market.

(e) Financial Instruments

The carrying value of accounts receivable, contributions receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items.

(f) Inventories

Inventories are valued at the lower of cost or net replacement value.

(g) Capital Assets

Capital assets and projects in progress are recorded at cost. Capital assets costing less than $5,000 are expensed.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Buildings and improvements	20 - 40 years
Land improvements	10 - 20 years
Building service equipment	10 - 20 years
Vehicles and equipment	5 - 20 years

Projects in progress are not amortized until the project is complete.

(h) Measurement Uncertainty

The financial statements by their nature contain estimates and are subject to measurement uncertainty. The accounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date.

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Note 3 Cash and Temporary Investments

	2000	1999
Cash	$ 349	$ 631
Fixed income securities	2,396	2,268
	$ 2,745	$ 2,899

Fixed-income securities have an average effective yield of 6.00% per annum based market securities maturing within a year, and 5.55% per annum for securities maturing between one and five years. As at March 31, 2000 the securities have the following term structure.

Under 1 year	6.00%
1 to 5 years	4.8% to 6.20%

Note 4 Accounts Receivable

	2000	1999
	(thousands of dollars)	
Patients	$ 693	$ 228
Other	453	325
	$ 1,146	$ 553

Note 5 Contributions Receivable

	2000	1999
	(thousands of dollars)	
we' net common opportunities	$ 600	$ -
Current year foreign surcharge	25	30
Other	16	-
	$ 641	$ 30

Note 6 Non-Current Cash

	2000	1999
Cash externally restricted for capital purposes	$ 3,614	$ 3,901
Employee benefit programs	7	30
	$ 3,621	$ 3,931

Note 7 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 635	$ -	$ 635	$ 635
Land improvements	3,133	2,662	471	633
Buildings and improvements	38,252	17,032	21,220	22,535
Building service equipment	6,340	5,006	1,334	1,319
Vehicles and equipment	10,471	7,726	2,745	2,443
Projects in progress	2,766	-	2,766	936
	$ 61,597	$ 32,426	$ 29,171	$ 28,501

Capital assets have been funded from the following sources:

	2000	1999
	(thousands of dollars)	
Externally funded (unamortized external capital contributions)	$ 27,952	$ 27,264
Internally funded (invested in capital assets)	1,219	1,237
	$ 29,171	$ 28,501

Note 8 Deferred Non-Capital Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions	$ 63	$ -
Other government contributions	290	160
Donations	50	25
Investment and other revenue	52	28
	455	213
Amounts recognized as revenue		
Alberta Health and Wellness contributions	(656)	(484)
Other government contributions	(204)	(115)
Donations	(26)	(29)
Other	(34)	(42)
	(920)	(670)
Amounts transferred from (to) deferred capital contributions (Note 9)	303	(569)
Change during the year	(162)	(1,026)
Balance, beginning of year	427	1,453
Balance, end of year	$ 265	$ 427

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Current:		
Physician recruitment funding	$ -	$ 34
Year 2000 funding	26	325
Healthy Aging	62	-
Student Health Initiative	55	-
Alberta Mental Health Initiatives	31	-
Transportation	32	-
Other	52	38
	258	397
Long term:		
Employee benefit programs	7	30
	$ 265	$ 427

Note 9 Deferred Capital Contributions

Deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2(a).

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness	$ 1,410	$ -
Other government contributions	1,106	3,058
Donations restricted for capital purposes	385	125
Investment income earned	75	13
	2,976	3,196
Transferred (from) to:		
Deferred non-capital contributions (Note 8)	(303)	569
Unamortized external capital contributions (Note 11)	(2,960)	(1,688)
Change during the year	(287)	2,077
Balance, beginning of year	3,901	1,824
Balance, end of year	$ 3,614	$ 3,901

Balance at end of year is restricted for the following purposes:

	2000	1999
Betterment of capital assets	$ 3,598	$ 3,345
Year 2000 equipment replacement	16	556
	$ 3,614	$ 3,901

Note 10 Pension Plan Obligation

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and Public Service Pension Plan which are defined benefit pension plans. These plans provide pensions for Authority employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

Note 10 Pension Plan Obligation (continued)

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The Public Service Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan which will be funded by employers.

The pension plan obligation is represented as follows:

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 64	$ 52
Public Service Pension Plan	10	60
	$ 74	$ 112

The decrease in pension plan obligation has been allocated to programs.

Note 11 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2(a). The balance at end of year represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance, beginning of year	$ 27,264	$ 27,399
Add amounts transferred from deferred capital contributions (Note 9)	2,960	1,688
Less amounts recognized as revenue:		
health operations	(2,266)	(1,818)
ancillary operations	(6)	(5)
	$ 27,952	$ 27,264

Note 12 Net assets

The balance of net assets can be analyzed as follows:

	2000	1999
Net assets at regionalization - April 1, 1995	$ 1,109	$ 1,109
Changes since regionalization:		
Cumulative operating surplus (deficit)	1,299	(436)
Invested in capital assets (net of amortization)	517	535
Balance	$ 2,925	$ 1,208

Note 13 Budget

	Approved Budget(1)	Additional Funding(2)	Adjustments(3)	Reported Budget
	(thousands of dollars)			
Revenues:				
Alberta Health and Wellness contributions	$ 26,038	$ 1,547	$ -	$ 27,585
Other government contributions	120	-	-	120
Fees and charges	2,615	-	-	2,615
Donations	(49)	-	-	(49)
Net ancillary operations	-	-	-	-
Investment and other income	258	-	-	258
Amortization of external capital contributions	2,029	-	-	2,029
	31,011	1,547	-	32,558
Expenses:				
Facility based inpatient acute services	7,585	-	-	7,585
Facility based emergency and outpatient services	2,637	-	-	2,637
Facility based continuing care services	1,308	-	-	1,308
Community and home based services	932	-	-	932
Diagnositic and therapeutic services	6,453	-	-	6,453
Promotion, prevention and protection services	1,820	-	-	1,820
Education	-	-	-	-
Administration	2,450	-	(671)	1,779
Information technology and wellnet (Note 19)	-	-	556	556
Y2K remedial costs	-	-	115	115
Support services	6,028	-	-	6,028
Amortization of facilities and improvements	1,555	-	-	1,555
	30,768	-	-	30,768
Excess of revenues over expenses	$ 243	$ 1,547	$ -	$ 1,790

(1) The budget was approved by the Board of the Authority on April 25, 1999, and approved by the Minister of Health and Wellness.

(2) The Minister of Health and Wellness provided additional funding.

(3) Budget amounts have been reclassified, where necessary, to conform to the 2000 actuals presentation.

Note 14 Alberta Health and Wellness Contributions

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted contributions	$ 27,585	$ 27,373	$ 24,174
Restricted non-capital contributions (Note 8)	-	656	484
	$ 27,585	$ 28,029	$ 24,658

Note 15 Other Government Contributions

	Budget	2000	1999
	(thousands of dollars)		
Alberta Mental Health Board	$ 120	$ 148	$ 115
Student Health Initiative	-	56	-
	$ 120	$ 204	$ 115

Note 16 Ancillary Operations

	2000					1999
	Non-Patient Food Services Operations	Parking Operations	Other Operations	Total	Budget	Total
	(thousands of dollars)					
Revenues						
Revenues	$ 169	$ 135	$ 27	$ 331	$ 310	$ 315
Amortization of deferred capital contributions	-	6	-	6	-	5
	169	141	27	337	310	320
Expenses						
Other expenses	179	-	178	357	349	343
Amortization	-	6	4	10	10	7
	179	6	182	367	359	350
Excess (deficiency) of revenues over expenses 1999/00	$ (10)	$ 135	$ (155)	$ (30)	$ (49)	
Excess (deficiency) of revenues over expenses 1998/99	$ (4)	$ 117	$ (143)	$ (30)	$ (4)	$ (30)

Note 17 Investment and Other Income

	2000		1999
	Budget	Actual	Actual
	(thousands of dollars)		
Unrestricted investment income	$ 250	$ 147	$ 214
Other income	8	409	418
	$ 258	$ 556	$ 632

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Note 18 Administration

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
General Administration			
Administration	$ 494	$ 515	$ 518
Medical staff	225	393	320
Board	132	191	171
	851	1,099	1,009
Finance	476	491	475
Personnel	452	389	381
	$ 1,779	$ 1,979	$ 1,865

Note 19 Information Technology and Alberta we//net

	Budget	2000	1999
Information systems support	$ 493	$ 568	$ 367
Alberta we//net	63	128	116
	$ 556	$ 696	$ 483

Alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put technology to work with the intent to improve the delivery of health services to all Albertans. Alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities, faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards the planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999/2000. In accordance with generally accepted accounting principles these costs have been expensed and capitalized as appropriate.

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Note 20 Year 2000 costs

The Year 2000 issue arises because many computerized systems use two digits rather than four to define the applicable year. Date-sensitive systems may recognise the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the rollover date has occurred with no material incidents, it is not possible to conclude that all aspects of the Year 2000 issue affecting the Authority, including those related to suppliers and other third parties, have been fully resolved.

Note 21 Support Services

	2000 Budget	2000 Actual	1999 Actual
	(thousands of dollars)		
Building maintenance, operations and security	$ 1,863	$ 1,886	$ 1,816
Housekeeping	1,002	985	898
Patient information	933	934	788
Materials management	910	815	819
Patient food services	621	648	600
Laundry and linen	292	284	271
Communications	107	105	87
Health and safety	83	84	80
Biomedial engineering	77	41	71
Community and volunteer services	72	85	66
Learning resource centre	68	68	61
	$ 6,028	$ 5,935	$ 5,557

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Note 22 Changes in Non-Cash Working Capital Accounts

	2000	1999
	(thousands of dollars)	
Accounts receivable	$ (593)	$ 378
Contributions receivable	(611)	1,105
Inventories	(55)	(6)
Prepaid expenses	(136)	278
Accounts payable	(426)	(196)
Accrued vacation pay	109	118
Current portion of deferred non-capital contributions	(139)	(1,017)
	$ (1,851)	$ 660

Note 23 Related Parties

a) Province of Alberta

The Authority is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members of the Authority. Transactions between the Authority and the Province are disclosed in the statement of operations and Notes 8, 9, 14 and 15 to the financial statements.

b) Northern Lights Regional Health Foundation

The Authority significantly influences the Northern Lights Regional Health Foundation through its representation on the board of trustees.

Northern Lights Regional Health Foundation	2000	1999
	(thousands of dollars)	
Total assets	$ 1,010	$ 892
Total liabilities	435	504
Net assets	$ 575	$ 388
Revenues	971	637
Expenses (includes contributions to the Health Authority)	784	509
Excess of revenue over expenses	$ 187	$ 128

- 16 -

Note 23 Related Parties (continued)

(b) Northern Lights Regional Health Foundation (continued)

	Contributions Received by Health Authority		Resources held by Foundation	
	Year ended March 31		At March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
	(thousands of dollars)			
Northern Lights Regional Health Foundation	$ 512	$ 268	$ 315	$ 575

The resources of the Foundation amounting to $315,000 have been restricted by the donors for specific programs of the Northern Lights Regional Health Authority.

Northern Lights Regional Health Foundation prepared financial statements using the deferral method.

The value of administrative support provided to the Foundation and the accounts receivable from the Foundation at year-end is as follows:

	Administrative Support		Accounts Receivable	
	Year ended March 31		At March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
	(thousands of dollars)			
Foundation	$ 138	$ 131	$ 90	$ 20

Note 23 Related parties (continued)

(c) Contracted Health Service Operators

The Authority contracts with private health service operators to provide health services in the Region.

The amounts for contracted health services are as follows:

	Direct Authority Funding	2000	1999
	(thousands of dollars)		
Laboratory contract	$ 1,749	$ 1,749	$ 1,699
Community rehabilitation programs	291	291	285
	$ 2,040	$ 2,040	$ 1,984
Reported in the following expense categories:			
Diagnostic and therapeutic services		$ 2,040	$ 1,984

Note 24 Commitments

The Authority is committed under contracts for laboratory services, service contracts and equipment leases to the following payments:

2001	$1,968
2002	1,970
2003	1,966
2004	186

Note 25 Trust Funds

The Authority receives funds in trust from Alberta Health and Wellness for Nunee Health Board for the provision of primary health services. Amounts disclosed below are not included in the financial statements.

	2000	1999
Funds received and disbursed during the year	$ 189	$ 203

Note 26 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 27 Approval of Financial Statements

These financial statements have been approved by the Authority.

Schedule 2

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999		
					Severance					
	Number of Individuals[1]	Salaries and Honoraria[2]	Benefits and Allowances[3]	Subtotal	Number of Individuals	Amount	Total	Number of Individuals[1]	Salaries, Benefits, Honoraria[2,3]	Total
Authority/Board Compensation										
RHA Chairperson, Garner, Scott	1	$ 20	-	$ 20		-	20	1	$ 15	$ 15
Baker Kathleen	1	9	1	10			10	1	4	4
Boyer, Mary	1	13	1	14			14	1	9	9
Brzezinski, Wojciech	1									
Burns, Gary	1	10	-	10			10	1	7	7
Cardinal, Debbie	1	2	-	2			2	1	1	1
Furey, Pat	1	3	-	3			3	1	2	2
Gendreau, Bill	1	11	-	11			11	1	1	1
Girouard, George	1	1	-	1			1			
Haxton, Alice	1	10	-	10			10	1	9	9
McDonald, Dorothy	1	4	-	4			4	1	3	3
McDonald, Margaret								1	3	3
MacRae, Connie								1	11	11
Moore, Helena	1	9	-	9			9	1	4	4
Nesdole, Morris								1	4	4
Nickerson, Ken	1	6	-	6			6	1	6	6
Offereins, Hank								1	4	4
Quintal, Margaret	1	5	-	5			5	1	4	4
Walbridge, Judy	1	13	1	14			14	1	5	5
Zak, Lorne	1	2	-	2			2	1	1	1
Total honoraria	16	118	3	121			121	18	93	93
Staff										
Chief Executive Officer	1	131	31	162			162	1	141	141
Management person(s) reporting to the CEO										
Director Finance and Information	1	88	11	99			99	1	90	90
Director Human Resources	1	86	11	97			97	1	92	92
Director Health Services	1	83	10	93			93	1	87	87
Director Foundation	1	86	10	96			96	1	85	85
Director Facilities	1	86	10	96			96	1	89	89
Director Clinical Services	1	88	10	98			98	1	91	91
Other management person(s) reporting to those above (avg. 2000 $80, avg. 1999 $88) (excluding severance)	7	494	64	558	1	13	571	6	527	527
Regulated nurses not included above (avg. 2000 $53, avg. 1999 $55)	171	8,128	999	9,127			9,127	160	8,779	8,779
Other health technical and professionals (avg. 2000 $55, avg. 1999 $47)	61	2,916	442	3,358			3,358	64	3,012	3,012
Unregulated health service providers (avg. 2000 $28 avg. 1999 $32)	99	2,460	339	2,799			2,799	83	2,638	2,638
Other staff	102	3,754	488	4,242	1	31	4,273	128	4,147	4,147
	447	18,400	2,425	20,825	2	44	20,869	448	19,778	19,778
Total	463	$ 18,518	$ 2,428	$ 20,946	2	$ 44	$ 20,990	466	$ 19,871	$ 19,871

Schedule 1

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

	Budget	2000	1999
Salaries, benefits, allowances (Schedule 2)	$ 21,089	$ 20,990	$ 19,871
Contracts with health service operators (Note 23 (c))	2,049	2,040	1,984
Drugs, gases and med/surgical supplies	1,141	1,157	1,189
Consulting services	1,222	1,289	1,083
Other	3,493	4,687	3,966
Amortization:			
Equipment	572	607	407
Facilities and improvements	1,561	1,780	1,543
	31,127	32,550	30,043
Less amounts reported in ancillary operations (Note 16)	(359)	(367)	(350)
	$ 30,768	$ 32,183	$ 29,693

Schedule 2 (continued)

SCHEDULE OF SALARIES, BENEFITS AND ALLOWANCES

FOR THE YEAR ENDED MARCH 31, 2000

(1) The average number of individuals is calculated based on a weighted average number of individuals occupying a category or position for the year based on a standard work year except for named individuals.

Total actual discrete number of individuals employed was 619 as of March 31, 2000 and 577 as of March 31, 1999.

(2) Salaries includes regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

(3) Benefits and allowances included the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition

(4) Severance includes all monies paid directly or on behalf of an employee upon termination which are not included in salaries and benefits.

Schedule 3

NORTHERN LIGHTS REGIONAL HEALTH AUTHORITY
SUMMARY OF REVENUES AND EXPENSES
FOR THE PERIOD COMMENCING APRIL 1, 1997

(thousands of dollars)

	Actual		
	2000	1999	1998
Revenues:			
Alberta Health contributions	$ 28,029	$ 24,658	$ 22,860
Other government contributions	204	115	111
Fees and charges	2,765	1,946	2,141
Ancillary operations, net	(30)	(30)	16
Donations	110	136	150
Investment and other income	556	632	566
Amortization of external capital contributions, health operations	2,266	1,818	1,771
	33,900	29,275	27,615
Expenses:			
Facility based inpatient acute services	7,846	7,459	7,286
Facility based emergency and outpatient services	2,742	2,575	2,505
Facility based continuing care services	1,332	1,320	1,307
Community and home based services	955	881	737
Diagnostic and therapeutic services	6,560	6,113	5,711
Promotion, prevention and protection services	1,746	1,636	2,019
Administration	1,979	1,865	2,038
Information technology and wellnet	696	483	389
Year 2000 costs	622	268	-
Support services	5,935	5,557	5,174
Amortization of facilities and improvements, health operations	1,770	1,536	1,488
	32,183	29,693	28,654
Excess (deficiency) of revenues over expenses	$ 1,717	$ (418)	$ (1,039)

A pro-forma summary of revenues and expenses is not presented as there have been no transfers of programs or boundary changes for which pro-forma adjustments and necessary.

Financial Statements of

NORTHWESTERN REGIONAL HEALTH AUTHORITY

March 31, 2000

Deloitte & Touche

Deloitte & Touche LLP
2000 ManuLife Place
10180 - 101 Street
Edmonton, Alberta T5J 4E4

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Auditors' Report

To the Members of the
Northwestern Regional Health Authority
and the Minister of Alberta Health and Wellness

We have audited the statement of financial position of Northwestern Regional Health Authority ("the Authority") as at March 31, 2000 and the statements of operations, changes in net assets, and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of operations and cash flow for the year then ended in accordance with Canadian generally accepting accounting principles.

Deloitte & Touche LLP
Chartered Accountants

June 2, 2000

Deloitte Touche
Tohmatsu

NORTHWESTERN REGIONAL HEALTH AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Authority. The financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Authority has established a code of ethics and corporate directives, which require communication of the code to employees.

The Authority members carry out their responsibility for the financial statements through the Finance Committee. This Committee meets with management and the external auditor, Deloitte & Touche LLP to discuss and review financial matters, and recommends the financial statements to the Northwestern Regional Health Authority Board for approval. The external auditor has full and free access to the Finance Committee.

Deloitte & Touche LLP provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Rayann Ulvick
Chief Executive Officer

Gary Johnson
Director of Corporate Services

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NORTHWESTERN REGIONAL HEALTH AUTHORITY
Statement of Financial Position
March 31, 2000
(thousands of dollars

	2000	1999
ASSETS		
CURRENT		
Cash and temporary investments (Note 3	$ 4,403	$ 2,337
Accounts receivable	98	143
Grants receivable	302	189
Inventories	233	237
Prepaid expenses	74	31
	5,110	2,937
NON-CURRENT CASH (Note 4)	2,371	4,064
CAPITAL ASSETS (Note 5)	16,593	10,916
	$ 24,074	$ 17,917
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accruals	$ 1,217	$ 606
Accrued vacation pay	398	342
Deferred contributions (Note 6	226	215
Current portion of long-term debt (Note 8	19	26
	1,860	1,189
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	2,371	4,064
LONG-TERM DEBT (Note 8)	6	25
PENSION PLAN OBLIGATION (Note 9)	24	42
UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS (Note 10)	15,341	10,107
	19,602	15,427
COMMITMENTS (Note 13)		
NET ASSETS		
Unrestricted (Note 11	-	386
Internally restricted (Note 12	3,245	1,346
Investment in capital assets	1,227	758
	4,472	2,490
	$ 24,074	$ 17,917

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Statement of Operations
Year ended March 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 14)	**Actual**	Actual
REVENUES			
Alberta Health and Wellness contributions (Note 15)	$ 14,457	$ 14,731	$ 12,024
Other government contributions (Note 16)	579	492	439
Fees and charges	318	256	338
Ancillary operations - net (Note 17)	36	(10)	19
Donations	-	5	11
Investment and other income	97	198	99
Amortization of external capital contributions (Note 10)	1,129	1,179	827
	16,616	16,851	13,757
EXPENSES - Schedule 1			
Facility-based inpatient services	3,583	3,699	3,094
Facility-based emergency and out patient services	302	306	256
Facility-based continuing care services	936	693	418
Community and home-based services	2,030	1,949	1,571
Diagnostic and therapeutic services	1,671	1,753	1,437
Promotion, prevention and protection services	952	787	809
Research and education	-	146	29
Administration (Note 18)	1,180	1,440	1,421
Information technology and *well net* (Note 19)	233	258	274
Year 2000 remedial costs (Note 20)	272	241	23
Support services (Note 21)	2,641	2,818	2,350
Amortization of facilities and improvements	766	501	509
Capital asset write-down (Note 22)	-	278	-
	14,566	14,869	12,191
EXCESS OF REVENUES OVER EXPENSES	$ 2,050	$ 1,982	$ 1,566

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Statement of Changes in Net Assets
Year ended March 31, 2000
(thousands of dollars

	2000				
	Unrestricted (Note 11)	Internally Restricted (Note 12)	Investment in Capital Assets	Total	1999 Total
EXCESS OF REVENUES OVER EXPENSES	$ 1,982	$ -	$ -	$ 1,982	$ 1,566
CAPITAL ASSETS PURCHASED WITH INTERNAL FUNDS	(689)	-	689	-	-
AMORTIZATION ON INTERNALLY FUNDED CAPITAL ASSETS	238	-	(238)	-	-
WRITE-DOWN OF INTERNALLY FUNDED CAPITAL ASSETS	8	-	(8)	-	-
REPAYMENT OF LONG-TERM DEBT USED TO FUND CAPITAL ASSETS	3	(29)	26	-	-
NET CHANGE TO UNRESTRICTED NET ASSETS	1,542				
TRANSFER TO INTERNALLY RESTRICTED	(2,053)	2,053	-	-	-
INTERNALLY RESTRICTED FUNDS EXPENDED	125	(125)	-	-	-
BALANCE, BEGINNING OF YEAR	386	1,346	758	2,490	924
BALANCE, END OF YEAR	$ -	$ 3,245	$ 1,227	$ 4,472	$ 2,490

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Statement of Cash Flow
Year ended March 31, 2000
(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES			
OPERATING			
Excess of revenues over expenses	$ 2,050	$ 1,982	$ 1,566
Items not affecting cash:			
Decrease in unfunded pension obligation	-	(18)	(9)
Amortization of capital assets - internally funded	175	238	124
Amortization of capital assets - externally funded	1,242	985	903
Amortization of deferred external contributions	(1,242)	(1,255)	(903)
Write-down of capital asset	-	278	-
	2,225	2,210	1,681
Change in non-cash working capital accounts (Note 23)	-	571	158
	2,225	2,781	1,839
INVESTING			
Purchase of capital assets			
Internally funded	(434)	(689)	(166)
Externally funded (Note 10) - equipment	(603)	(588)	(10)
- facilities and improvements	(5,429)	(5,901)	(1,775)
	(6,466)	(7,178)	(1,951)
FINANCING			
Capital contributions received (Note 7)	3,548	4,931	5,096
Capital contributions transferred to deferred contributions (Note 7)	-	(135)	(122)
Refund of unused capital contributions	-	-	(352)
Repayment of long-term debt	-	(26)	(30)
	3,548	4,770	4,592
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(693)	373	4,480
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	6,401	6,401	1,921
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	$ 5,708	$ 6,774	$ 6,401
COMPRISED OF			
Cash and temporary investments		$ 4,403	$ 2,337
Non-current cash		2,371	4,064
		$ 6,774	$ 6,401

1. AUTHORITY, PURPOSE AND OPERATION

Northwestern Regional Health Authority ("the Authority") was established on June 24, 1994 under the authority of the Regional Health Authority Act, Chapter R-9.07, Statutes of Alberta 1994. The Authority is a registered charity under the Income Tax Act and is therefore exempt from payment of income tax.

The Authority is responsible for the delivery of appropriate, accessible, and affordable health services in the region. This responsibility includes operating programs designed to promote, protect, maintain, restore, and enhance physical and mental well-being.

The Authority operates the following facilities and sites:

- High Level General Hospital
- St. Theresa General Hospital
- Rainbow Lake Health Centre
- La Crete Health Centre
- Paddle Prairie Health Centre
- High Level Health Centre
- Fort Vermilion Health Centre
- Zama City Nursing Station
- RHA Corporate Office

2. ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) *Basis of presentation*

These financial statements include all facilities and sites that the Authority operates.

(b) *Measurement uncertainty*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

(c) *Revenue recognition*

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year received or receivable.

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) *Revenue recognition (continued)*

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets, which will not be amortized, are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(d) *Full cost*

The Authority accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of service is recorded. The fair value transactions recorded consist of the following:

- Revenue earned by contracted health service operators from Ministry of Health and Wellness designated fees and charges are recorded as fees and charges of the Authority. An equivalent amount is recorded as contracted health service operator expense of the Authority.
- Payments made by Alberta Health and Wellness directly to contracted health service operators for health programs are recorded as revenue and an equivalent amount recorded as program expenses as these payments represent part of the cost of the Authority's health programs.
- The fair value for use of non-acute care facilities not owned by the Authority and provided to the Authority at zero or nominal rent is recorded as other government contributions and as program expenses.

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000
(thousands of dollars)

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(d) *Full cost (continued)*

- Other assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Authority in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in these financial statements because fair value cannot be reasonably determined.

(e) *Pension Plan Expense and Obligation*

The Authority and its eligible employees participate in the Local Authorities Pension Plan and the Public Service Pension Plan.

The Authority's pension plan obligation represents its portion of the unfunded pension liability of these pension plans including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based on the ratio of pensionable earnings of the Authority's employees to the earnings of all employees in the pension plans. The ratio is adjusted annually based on the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on the entity's share of the unfunded pension liability; amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of the change in the ratio used to allocate the Plan's total unfunded liability to participating employers.

(f) *Temporary Investments*

Temporary investments are recorded at lower of cost and market.

(g) *Inventories*

Inventories are recorded at the lower of cost or net realizable value.

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000
(thousands of dollars)

2. ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(h) *Capital assets*

Capital assets and construction in progress are recorded at cost.

Capital assets costing less than $1,000 are expensed.

Capital assets are amortized on a straight-line basis over the estimated useful life of the assets as follows:

Buildings and improvements	2 - 5%
Equipment and building service equipment	5 - 33%
Land improvements	5 - 10%

Construction projects in progress are not amortized until the project is complete.

Leases transferring substantially all of the benefits and risks of ownership of capital assets to the Authority are accounted for as acquisitions of capital assets financed by long-term obligations.

(i) *Financial instruments*

The carrying value of accounts receivable, grants receivable, and accounts payable and accruals approximates their fair value because of the short-term maturity of these items.

The carrying value of long-term debt approximates fair value because the interest rate approximates current market rates.

3. CASH AND TEMPORARY INVESTMENTS

	2000	1999
Cash	$ 2,838	$ 2,101
Money market securities	-	236
Short-term pooled fund units (market - $381)	381	-
Fixed income pooled fund units (market - $898)	898	-
Canadian equity pooled fund units (market - $286)	286	-
	$ 4,403	$ 2,337

4. NON-CURRENT CASH

	2000	1999
Cash	$ 2,371	$ 4,064

All non-current cash represents amounts externally restricted for capital acquisitions.

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000
(thousands of dollars)

5. CAPITAL ASSETS

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings and improvements	$ 11,370	$ 5,076	$ 6,294	$ 6,164
Equipment and building service equipment	8,812	6,528	2,284	2,048
Wellnet	39	8	31	-
Land improvements	667	660	7	18
Land	234	-	234	234
Construction in progress	7,743	-	7,743	2,452
	$ 28,865	$ 12,272	$ 16,593	$ 10,916

Leased equipment

Included in the equipment are items acquired through capital leases at a cost of $95 (1999 - $95) with accumulated amortization of $57 (1999 - $38).

Capital assets

Capital assets have been funded from the following sources:

	2000	1999
Externally funded (unamortized external capital contributions) - Note 10	$ 15,341	$ 10,107
Internally funded (invested in capital assets)	1,227	758
Obligation under capital lease - Note 8	25	51
	$ 16,593	$ 10,916

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Notes to the Financial Statements
Year ended March 31, 2000
(thousands of dollars)

6. DEFERRED CONTRIBUTIONS

	2000	1999
Amounts received:		
Restricted Alberta Health and Wellness Contributions		
Healthy Aging	$ 57	$ -
Health Innovation Fund	106	-
Year 2000 remedial costs	104	-
Paddle Prairie Health Project	-	81
Other government contributions	-	6
Donations	10	46
Amounts transferred in:		
Restricted Alberta Health and Wellness Contributions		
Year 2000 remedial costs	135	122
Amounts recognized as revenue:		
Alberta Health and Wellness contributions	(396)	(46)
Other government contributions	-	(6)
Donations	(5)	(11)
Capital additions transferred to unamortized capital contributions		
Donations	-	(10)
Change during the year	11	182
Balance, beginning of year	215	33
Balance, end of year	$ 226	$ 215

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999
Current		
Health Innovation Fund	$ 106	$ -
Healthy Aging	57	-
Donations	52	47
Community Health Council Grant	6	6
Prenatal Nutrition Program	3	3
Mental Health Education Grant	2	2
Year 2000 remedial costs	-	99
Paddle Prairie Health Project	-	58
	$ 226	$ 215

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions balance represents amounts accounted for in accordance with the accounting policy described in Note 2(c).

	2000	1999
Amounts received:		
Restricted Alberta Health and Wellness contributions	$ 18	$ 180
Restricted other government contributions	4,659	4,906
Restricted other contributions	254	-
Donations restricted for capital purposes	-	10
	4,931	5,096
Transferred to:		
Refund to APWSS	-	(352)
Deferred contributions	(135)	(122)
Unamortized external capital contributions (Note 10)	(6,489)	(1,785)
	(6,624)	(2,259)
Change during the year	(1,693)	2,837
Balance, beginning of year	4,064	1,227
Balance, end of year	$ 2,371	$ 4,064
Balance at end of year is restricted for the following purposes:		
Year 2000 remedial costs	$ -	$ 348
Equipment replacement	367	480
New construction		
La Crete Continuing Care Centre	35	2,552
High Level General Hospital - new facility	1,894	534
Integrated Regional System	-	150
Telehealth funding	75	-
	$ 2,371	$ 4,064

8. LONG-TERM DEBT

	2000	1999
Obligation under capital lease	$ 25	$ 51
Less current portion	19	26
	$ 6	$ 25

8. LONG-TERM DEBT (continued)

Future capital lease payments for the next two years ending March 31 is as follows:

2001	$ 19
2002	6

The capital lease expires on July 1, 2001. The effective interest rate payable on this lease is 7.96%.

9. PENSION PLAN OBLIGATION

The Authority and its employees participate with other employers in the Local Authorities Pension Plan and the Public Service Pension Plan, which are defined benefit pension plans. These plans provide pensions for the Authority's employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1998, extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997, extrapolated to March 31, 1999.

The actuarial valuations were determined using the projected benefit method prorated on service. Assumptions used in the valuations are based on each Pension Board's best estimate of future events. Each Plan's future experience will inevitably vary, perhaps significantly, from the assumptions. Any difference between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. Gains and losses that relate to the long term are amortized over the expected average remaining service life of the employee group. Gains and losses for which there is reasonable assurance regarding their measurement and realization are recognized in income immediately.

The Public Sector Pension Plans Act specifies the basis on which to determine the amount of the total unfunded liability for each plan that will be funded by employers. The Authority's portion of those employers' liabilities was based on the Authority's percentage of total pensionable payroll of all employers in each plan.

The liability of the Local Authorities Pension Plan and the Public Service Pension is to be eliminated by December 31, 2036, through additional contributions by the participating employers, employees and the Crown.

9. PENSION PLAN OBLIGATION (continued)

The pension plan obligation is represented as follows:

	2000	1999
Local Authorities Pension Plan	$ 24	$ 26
Public Service Pension Plan	-	16
	$ 24	$ 42

The decrease in pension plan obligation of $18 (1999 - $9) has been allocated to programs.

Effective January 1, 2000, all Authority employees grandfathered in the Public Service Pension Plan became members of the Local Authorities Pension Plan. This reduced the Public Service Pension Plan obligation to nil as at March 31, 2000.

10. UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2(c). The balance at year end represents the external capital contribution that will be recognized as revenue in future years.

	2000	1999
Balance, beginning of year	$ 10,107	$ 9,225
Add amounts transferred from deferred capital contributions (Note 7)	6,489	1,785
	16,596	11,010
Less amounts recognized as revenue		
Northwestern Regional Health Authority	(1,179)	(827)
Ancillary operations (Note 17)	(76)	(76)
Balance, end of year	$ 15,341	$ 10,107

11. UNRESTRICTED AND INTERNALLY RESTRICTED NET ASSETS

The balance of unrestricted and internally restricted net assets can be analyzed as follows:

	2000	1999
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ 11	$ 11
Changes since regionalization:		
Cumulative operating surplus	4,461	2,479
Invested in capital assets (net of amortization)	(1,166)	(715)
Repayment of long-term debt	(69)	(43)
Write-down of internally funded capital assets	8	-
Balance	$ 3,245	$ 1,732
Unrestricted	$ -	$ 386
Internally restricted	3,245	1,346
	$ 3,245	$ 1,732

12. INTERNALLY RESTRICTED NET ASSETS

The Authority has internally restricted the following amounts for:

	2000	1999
Operating reserve fund	$ 1,785	$ 1,000
Innovative funding	685	-
Capital projects and equipment	380	177
Future equipment replacement	271	119
Programs	124	50
	$ 3,245	$ 1,346

13. COMMITMENTS

The Authority is committed to several contracts and is required to make the following minimum payments over the next five years:

	Equipment Leases	Healthcare Service Contracts	Equipment Maintenance Contracts	Total Commitments
2001	$ 32	$ 226	$ 12	$ 270
2002	32	52	4	88
2003	32	52	4	88
2004	32	-	4	36
2005	-	-	4	4

NORTHWESTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

Year ended March 31, 2000
(thousands of dollars)

14. BUDGET

	Approved Budget[1]	Additional Approved Budget[2]	Unfunded Pension Adjustments[3]	Reported Budget
Revenues:				
Alberta Health and Wellness contributions	$ 13,730	$ 727	$ -	$ 14,457
Other government contributions	579	-	-	579
Fees and charges	318	-	-	318
Ancillary operations - net	36	-	-	36
Donations	-	-	-	-
Investment and other income	97	-	-	97
Amortization of external capital contributions	1,129	-	-	1,129
	15,889	727	-	16,616
Expenses:				
Facility-based inpatient services	3,273	317	(7)	3,583
Facility-based emergency and out patient services	275	27	-	302
Facility-based continuing care services	873	63	-	936
Community and home-based services	1,978	55	(3)	2,030
Diagnostic and therapeutic services	1,558	115	(2)	1,671
Promotion, prevention and protection services	899	54	(1)	952
Research and education	-	-	-	-
Administration	1,133	49	(2)	1,180
Information technology and well/net	233	-	-	233
Year 2000 remedial costs	272	-	-	272
Support services	2,583	61	(3)	2,641
Amortization of facilities and improvements	766	-	-	766
Capital asset write-down	-	-	-	-
	13,843	741	(18)	14,566
Excess of revenues over expenses	$ 2,046	$ (14)	$ 18	$ 2,050

(1) The budget was approved by the Minister of Health and Wellness on August 13, 1999.

(2) The Minister of Health and Wellness approved $727 in one time per capita funding for the Region.

(3) Unfunded pension adjustment arising from change in the pension liability had not been budgeted by the Authority, as this information was not readily available at the time the budget was approved.

NORTHWESTERN REGIONAL HEALTH AUTHORITY

Notes to the Financial Statements

Year ended March 31, 2000
(thousands of dollars)

15. ALBERTA HEALTH AND WELLNESS CONTRIBUTIONS

	2000		1999
	Budget (Note 14)	Actual	Total
Unrestricted contributions	$ 14,457	$ 14,335	$ 11,978
Transfers from deferred contributions (Note 6)	-	396	46
	$ 14,457	$ 14,731	$ 12,024

16. OTHER GOVERNMENT CONTRIBUTIONS

	2000		1999
	Budget (Note 14)	Actual	Total
Alberta Mental Health Board	$ 400	$ 375	$ 366
Transfers from deferred contributions (Note 6)	-	-	6
Fair value of rent less rent charges for non-acute care facilities used by the Authority	67	117	67
Other	112	-	-
	$ 579	$ 492	$ 439

17. ANCILLARY OPERATIONS

	2000					1999
	Non-Patient Food Services Operations	Property Management Operations	Rent	Total	Budget	Total
Revenues						
Revenues	$ 99	$ 118	$ 1	$ 218	$ 215	$ 227
Amortization of deferred capital contributions	-	76	-	76	85	76
	99	194	1	294	300	303
Expenses						
Other expenses	128	91	-	219	179	199
Amortization	-	85	-	85	85	85
	128	176	-	304	264	284
Excess (deficiency) of revenues over direct expenses (1999-00)	$ (29)	$ 18	$ 1	(10)	$ 36	$ 19
Excess (deficiency) of revenues over direct expenses (1998-99)	$ (18)	$ 37	$ -	$ 19	$ 53	$ 19

18. ADMINISTRATION

	Budget	2000	1999
General administration	$ 115	$ 158	$ 106
Corporate administration	296	387	480
Board of Directors	236	207	157
Finance	303	322	378
Personnel	184	304	249
	1,134	1,378	1,370
Amortization of capital assets	46	62	51
	$ 1,180	$ 1,440	$ 1,421

19. INFORMATION TECHNOLOGY AND ALBERTA WEL*L*NET

	Budget	2000	1999
Alberta wel*l*net	$ -	$ 44	$ 57
Information systems support	233	195	207
	233	239	264
Amortization of capital assets	-	19	10
	$ 233	$ 258	$ 274

Alberta wel*l*net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans. Alberta wel*l*net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Authority's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or to develop applications to support wel*l*net initiatives. In accordance with Canadian generally accepted auditing principles, $39 have been capitalized and $28 have been expensed.

20. THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Authority, including those related to customers, suppliers, or other third parties, have been fully resolved.

21. SUPPORT SERVICES

	Budget	2000	1999
Building maintenance, operations, and security	$ 930	$ 1,020	$ 883
Patient food services	432	461	416
Materials management	309	502	381
Patient health records	262	198	210
Communications	107	140	72
Laundry and linen	112	127	116
Patient registration	78	96	78
Fleet management	43	56	49
Patient transportation	75	70	36
Other	205	26	21
	2,553	2,696	2,262
Amortization of capital assets	88	122	88
	$ 2,641	$ 2,818	$ 2,350

22. CAPITAL ASSET WRITE-DOWN

Implementation of the Regional Client Information System (RCIS) was abandoned after costs equal to $696 had been incurred. As a result, a write-down of $278, the remaining net book value of the asset, was recorded to reduce the carrying value of equipment to its fair market value.

23. CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS

	2000	1999
Accounts receivable	**$ 45**	$ (37)
Grants receivable	**(113)**	309
Inventories	**4**	(44)
Prepaid expenses	**(43)**	(13)
Accounts payable	**611**	(259)
Accrued vacation pay	**56**	26
Current portion of deferred contributions	**11**	176
	$ 571	$ 158

24. RELATED PARTY TRANSACTIONS

Province of Alberta

The Authority is established under the Regional Health Authority Act. The Minister of health appoints the members of the Authority. Transaction between the Authority and the Province are disclosed in the Statement of Operations and Notes 6, 7 and 15 to the financial statements. Included in grants receivable is $235 (1999 - $167) due from Alberta Health and Wellness.

Northern Peace Foundation

The Northern Peace Foundation ("the Foundation") was established in 1996 and is considered to be significantly influenced by the Authority. The Foundation is not consolidated in these financial statements.

The incorporation of this Foundation was done under the Regional Health Authorities Act and is a registered charity under the Income Tax Act. The Foundation was incorporated for the purpose of raising funds to benefit the Authority.

	2000	1999
Total assets	**$ 129**	$ 126
Total liabilities	**1**	1
Net assets	**$ 128**	$ 125
Revenue	**$ 3**	$ 119
Expenses	**-**	-
Excess of revenue over expenses	**$ 3**	$ 119

24. RELATED PARTY TRANSACTIONS (continued)

Contributions received by Health Authority Year ended March 31.		Resources held by Foundation at March 31, 2000	
2000	1999	Externally Restricted	Unrestricted
$ -	$ -	$ 115	$ 13

Private Health Service Operators

The Authority contracts with private health service operators to provide health services in the Region. The health service operators and the amount of the contracted health services for the year are as follows:

			2000	1999
	Direct Authority Funding	**Approved Patient Fees and Charges**	**Total**	Total
Dynacare Kasper Medical Labs	**$ 224**	**$ -**	**$ 224**	$ 204

	2000	1999
Reported in the following expense categories		
Diagnostic and therapeutic services	**$ 224**	$ 204

25. COMPARATIVE FIGURES

Certain 1999 figures have been reclassified to conform to the 2000 presentation

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Authority on June 28, 2000.

NORTHWESTERN REGIONAL HEALTH AUTHORITY

Schedule 1

Expenses by Object

Year ended March 31, 2000
(thousands of dollars)

	Budget	2000	1999
Salaries, benefits, allowances and severance - Schedule 2	$ 9,283	$ 8,860	$ 7,732
Contracts with health service operators	224	224	204
Drugs, gases, medical and surgical supplies	527	610	476
Consulting services	325	323	241
Interest on long-term debt	-	3	5
Other	3,054	3,652	2,790
Amortization			
Capital equipment - internally funded	175	224	110
- externally funded	476	413	323
Facilities and improvement	766	586	594
Capital assets write-down	-	278	-
	14,830	15,173	12,475
Less amounts reported in ancillary operations (Note 17)	264	304	284
	$ 14,566	$ 14,869	$ 12,191

NORTHWESTERN REGIONAL HEALTH AUTHORITY

Schedule 2

Salaries, Honoraria, Benefits, Allowances and Severance

Year ended March 31, 2000
(thousands of dollars)

	2000					1999				
	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Severance (4)	Total	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Severance (4)	Total
AUTHORITY BOARD COMPENSATION										
RHA Chairperson										
Schmidt, G. (moved to board November 1 98)	-	$ -	$ -	$ -	$ -	1.0	$ 18	$	$	$ 18
Arnason, R. (appointed board chairman November 1, 1998)	1.0	17	-	-	17	1.0	13			13
RHA Members										
Brewster, D.	1.0	1	-	-	1					
Bueckert, G.	1.0	13	-	-	13	1.0	11			11
Chomiak, P (ceased membership September 98)	-	-	-	-	-	1.0	2			2
Dechant, B.	1.0	3	-	-	3					
Derksen, R. (ceased membership September 98)	-	-	-	-	-	1.0	1			1
Hawrylnk, P.	1.0	10	-	-	10	1.0	9			9
Neufeld, B.	1.0	16	-	-	16	1.0	10			10
Pederson, I.	1.0	1	-	-	1	1.0	8			8
Pelletier, S. (ceased membership September 98)	-	-	-	-	-	1.0	2			2
Schmidt, G.	1.0	10	-	-	10					
Sokoloski, I.	1.0	11	-	-	11	1.0	8			8
Steer, D.	1.0	6	-	-	6	1.0	5			5
Wanuch, F.	1.0	10	-	-	10	1.0	8			8
Wieler, M. (ceased membership August 98)	-	-	-	-	-	1.0	3			3
Sub-total Authority Board Compensation	11.0	$ 98	$ -	$ -	$ 98	13.0	$ 98	$	$	$ 98

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 2 (continued)

Year ended March 31, 2000
(thousands of dollars)

	2000					1999				
	Number of Individuals (1)	**Salaries and Honoraria (2)**	**Benefits and Allowances (3)**	**Severance (4)**	**Total**	Number of Individuals (1)	Salaries and Honoraria (2)	Benefits and Allowances (3)	Severance (4)	Total
Sub-total Authority Board Compensation	11.0	$ 98	$ -	$ -	$ 98	13.0	$ 98	$	$	$ 98
OTHER AUTHORITY BOARD COMPENSATION										
Executive Director										
Mohr, R. (previous)	-	-	-	-	-	1.0	94	11	56	161
Ulvick, R. (current - since Sept '99)	1.0	64	7	-	71					
Management persons reporting to the Executive Director										
Executive Assistant	1.0	58	8	-	66	1.0	51	8		59
Director, Health Services East (previously R.D. Community Services)	1.0	76	7	-	83	1.0	74	8		82
Director, Corporate Services (previously R.D. Administrative Services)	1.0	90	9	-	99	1.0	76	11		87
Regional Director, Planning & Support (this portfolio has been deleted)	-	-	-	-	-	1.0	75	10		85
Director, Health Services, West (previously R.D. Hospital Services)	1.0	80	10	-	90	1.0	78	10		88
Human Resources Leader (this portfolio has been deleted)	-	9	4	85	98	1.0	51	7		58
Other management personnel (Reporting to above) (avg. 2000 - $61,029; 1999 - $59,828)	12.5	674	89	-	763	11.6	609	85		694
Registered nurses (avg. 2000 - $49,747; 1999 - $43,760)	65.5	2,948	308	-	3,256	64.9	2,559	281		2,840
Other health technical and professionals (avg. 2000 - $40,260; 1999 - $40,375)	38.1	1,377	157	-	1,534	32.0	1,152	140		1,292
Unregulated health service providers (avg. 2000 - $28,580; 1999 - $25,405)	15.3	392	45	-	437	18.5	425	45		470
Other Staff (avg. 2000 - $28,019; 1999 - $25,102)	79.8	2,010	273	-	2,283	68.8	1,517	210		1,727
Pension obligation adjustment	-	-	(18)	-	(18)			(9)		(9)
Subtotal Other Authority Board Compensation	216.2	7,778	899	85	8,762	202.8	6,761	817	56	7,634
Total	227.2	$ 7,876	$ 899	$ 85	$ 8,860	215.8	$ 6,859	$ 817	$ 56	$ 7,634

NORTHWESTERN REGIONAL HEALTH AUTHORITY
Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 2 (continued)

Year ended March 31, 2000

1. Full-time equivalent has been determined by dividing the actual number of hours worked by the annual hours required to be considered full time for the following categories based on contracts in place during the year:

Executive Director	1,957.50 hours
Community Health and Home Care Employees	1,957.50 hours
Registered Nurses (UNA Local 124)	1,914.75 hours
CUPE, HSAA and CHCG Employees	2,022.75 hours
All others not included above	1,957.50 hours

   Total actual discrete number of individuals employed: 2000 - 289; 1999 - 244.

2. Salaries and honorarias include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation.

3. Benefits and allowances include the employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

4. Severance expenses include amounts paid in lieu of notice and certain other severance related costs. Numbers of staff reported under the severance category are the discrete numbers of people receiving severance.

5. The average salary and benefits amounts exclude severance payments.

6. The total amount is reported in the following schedules:
   (thousands of dollars)

   Schedule 1 – Ancillary Operation: $68 (1999 - $62)

   Schedule 2 – Expenses by Object: $8,792 (1999 - $7,670)

NORTHWESTERN REGIONAL HEALTH AUTHORITY

Schedule 3

Three Year Summary of Revenue and Expenses

Period commencing April 1, 1997
(thousands of dollars)

	2000	1999	1998
REVENUES			
Alberta Health and Wellness contributions	**$ 14,731**	$ 12,036	$ 9,792
Other government contributions	**492**	439	429
Fees and charges	**256**	326	226
Ancillary operations - net	**(10)**	19	15
Donations	**5**	11	7
Investment and other income	**198**	99	37
Amortization of external capital contributions	**1,179**	827	838
	16,851	13,757	11,344
EXPENSES			
Facility-based inpatient acute services	**3,699**	3,094	2,562
Facility-based emergency and outpatient services	**306**	256	181
Facility-based continuing care services	**693**	418	505
Community and home-based services	**1,949**	1,571	1,394
Diagnostic and therapeutic services	**1,753**	1,437	1,299
Promotion, prevention and protection services	**787**	809	754
Research and education	**146**	29	-
Administration	**1,440**	1,421	1,182
Information technology and we*ll* net	**258**	274	170
Support services	**2,818**	2,350	2,150
Year 2000 remedial costs	**241**	23	-
Amortization of facilities and improvements	**501**	509	492
Capital asset write down	**278**	-	-
	14,869	12,191	10,689
Excess of revenue over expenses	**1,982**	1,566	655

Note: No adjustments are required or pro-forma figures.

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Alberta Mental Health Board

Financial Statements

March 31, 2000

ALBERTA MENTAL HEALTH BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

Statement of Management's Responsibility

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Schedule 1 - Schedule of Expenses by Object

Schedule 2 - Schedule of Salaries, Honoraria, Benefits, Allowances and Severance

Schedule 3 - Three-Year Summary of Revenue and Expenses

ALBERTA MENTAL HEALTH BOARD
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
FINANCIAL STATEMENTS
MARCH 31, 2000

The accompanying financial statements are the responsibility of management and have been approved by the Alberta Mental Health Board ("AMHB"). The financial statements were prepared in accordance with Canadian generally accepted accounting principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The AMHB has established a code of ethics and corporate directives, which require communication of the code to employees.

The AMHB Board members carry out their responsibility for the financial statements through the Finance and Human Resources Committee of the Board. This Committee meets with management and the Auditor General to discuss and review financial matters, and recommends the financial statements to the AMHB for approval. The external auditor has full and free access to the Finance and Human Resources Committee of the Board.

The Auditor General provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

Ken Sheehan
Chief Executive Officer

Dave Buist
Acting Chief Financial Officer

AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Alberta Mental Health Board
and the Minister of Health and Wellness

I have audited the statement of financial position of the Alberta Mental Health Board (the "Board") as at March 31, 2000, and the statements of operations, cash flows, and changes in net assets for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 26, 2000

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Current:		
Cash and temporary investments (Note 3)	$ 31,752	$ 37,950
Accounts receivable	2,316	1,627
Contribution receivable	1,058	-
Inventories	794	656
Prepaid expenses	1,459	1,149
	37,379	41,382
Non-current investments (Note 3)	10,388	2,192
Capital assets (Note 4)	54,358	51,214
TOTAL ASSETS	$ 102,125	$ 94,788
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	$ 12,152	$ 9,226
Accrued vacation pay	7,593	5,306
Deferred contributions (Note 5)	4,881	6,612
	24,626	21,144
Deferred capital contributions (Note 6)	553	459
Pension plan obligation (Note 7)	686	515
Unamortized external capital contributions (Note 8)	43,757	42,458
	69,622	64,576
Commitments and contingencies (Note 11)		
Net assets:		
Unrestricted	12,273	16,330
Internally restricted (Note 10)	9,629	5,126
Investment in capital assets	10,601	8,756
	32,503	30,212
TOTAL LIABILITIES AND NET ASSETS	$ 102,125	$ 94,788

The accompanying notes and schedules are part of these financial statements.

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget (Note 12)	Actual	Actual
Revenues			
Alberta Health and Wellness contributions (Note 13)	$ 173,877	$ 173,156	$ 150,705
Other government contributions (Note 14)	5,330	6,014	5,921
Fees and charges	2,862	3,467	2,627
Ancillary operations, net (Note 15)	(49)	(537)	(200)
Donations	20	51	58
Investment and other income (Note 16)	3,151	3,441	3,406
Amortization of external capital contributions (Note 8)	3,826	3,396	3,420
TOTAL REVENUES	189,017	188,988	165,937
Expenses (Schedule 1)			
Facility-based inpatient services	37,935	46,667	40,487
Facility-based emergency and outpatient services	7,454	7,097	6,096
Facility-based continuing care services	14,263	14,256	8,622
Community and home based services	61,126	53,361	50,712
Diagnostic and therapeutic services	16,397	16,621	15,294
Promotion, prevention and protection services	3,023	3,131	2,904
Research and education	645	305	87
Administration (Note 17)	12,343	11,157	10,830
Information technology and alberta wellnet (Note 18)	4,999	4,711	4,403
Year 2000 remedial costs (Note 19)	-	445	569
Support services (Note 20)	25,754	26,543	27,084
Amortization of facilities and improvements	2,572	2,403	2,674
TOTAL EXPENSES	186,511	186,697	169,762
Excess (deficiency) of revenues over expenses (Note 23)	$ 2,506	$ 2,291	$ (3,825)

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Cash generated from (used by):			
Operating activities:			
Excess (deficiency) of revenues over expenses	$ 2,506	$ 2,291	$ (3,825)
Non-cash transactions:			
Increase in unfunded pension obligations (Note 7)	-	171	261
Amortization of capital equipment - internally funded	1,101	1,033	1,036
- externally funded	1,254	993	746
Amortization of facilities and improvements	2,572	2,403	2,674
Amortization of external capital contributions	(3,826)	(3,396)	(3,420)
Gain on disposal on internally funded capital assets	-	(3)	(134)
	3,607	3,492	(2,662)
Change in non-cash working capital accounts (Note 21)	-	1,287	2,501
Cash generated from (used by) operations	3,607	4,779	(161)
Investing activities:			
Purchase of investments	-	(1,164,638)	-
Purchase of capital assets:			
Internally funded	(1,773)	(2,892)	(2,070)
Externally funded (Note 6) - equipment	-	(2,061)	(1,190)
- facilities and improvements	-	(2,634)	-
Proceeds on sale of internally funded capital assets	-	17	146
Proceeds on sale of investments	-	1,154,250	-
Non-current cash applied to non-current investments	-	2,192	403
Cash used by investing activities	(1,773)	(15,766)	(2,711)
Financing activities:			
Capital contributions received (Note 6)	-	4,789	787
Cash generated from financing activities	-	4,789	787
Increase (decrease) in cash and temporary investments	1,834	(6,198)	(2,085)
Cash and temporary investments, beginning of the year	30,860	37,950	40,035
Cash and temporary investments, end of the year (Note 3)	$ 32,694	$ 31,752	$ 37,950

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000				1999
	Operating				
	Unrestricted	Internally Restricted (Note 9 & 10)	Invested in Capital Assets	Total	Total
Excess (deficiency) of revenues over expenses	$ 2,291	$ -	$ -	$ 2,291	$ (3,825)
Capital assets purchased with internal funds	(2,892)	-	2,892	-	-
Amortization of internally funded capital assets	1,033	-	(1,033)	-	-
Net book value of disposed assets, internally funded	14	-	(14)	-	-
Transfer, net	(4,503)	4,503	-	-	-
Balance at beginning of year	16,330	5,126	8,756	30,212	34,037
Balance at end of year	$ 12,273	$ 9,629	$ 10,601	$ 32,503	$ 30,212

ALBERTA MENTAL HEALTH BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000
(thousands of dollars)

Note 1 Alberta Mental Health Board, Purpose and Operations

The Provincial Mental Health Board was established on September 21, 1994 by Alberta Regulation 286/94 made pursuant to section 17 of the Regional Health Authorities Act. The name was changed to the Provincial Mental Health Advisory Board by Alberta Regulation 164/96 and to the Alberta Mental Health Board by Alberta Regulation 84/99 (AR 84/99). As a result of AR 84/99, effective April 1, 1999, the Board no longer acts in an advisory capacity to the Minister in carrying out a number of purposes. Specifically, the regulation states that the Board "shall" carry out the following purposes on a "province-wide basis":

- To promote, preserve and restore the mental health of Albertans and work towards the prevention of mental disorders;
- To assess the mental health of Albertans on an ongoing basis;
- To deliver or coordinate the delivery of mental health services in Alberta;
- To promote and act as an advocate for the provision of mental health services in a manner that is responsive to the needs of individuals and communities and supports the integration of services and facilities;
- To develop and monitor standards for, and monitor performance in, the delivery of mental health services;
- To determine priorities in the provision of mental health services in Alberta and allocate resources accordingly;
- To ensure reasonable access to quality mental health services; and
- To engage in and promote research in matters related to mental health.

The Board is responsible for delivering appropriate, accessible and affordable health services in Alberta. This responsibility includes operating programs designed to promote, protect, maintain, restore and enhance physical and mental wellbeing.

Operations of the Board include the following facilities and sites:
- Alberta Hospital Edmonton;
- Alberta Hospital Ponoka;
- Claresholm Care Centre;
- Raymond Care Centre; and
- Seventy community mental health clinics.

The provision requiring the Board to obtain approval of the Minister before making certain changes remains. The regulation also clarifies that the Board has the same power to delegate as a regional health authority.

The Board is exempt from payment of income tax and is a registered charity under the Income Tax Act.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. Following are the significant accounting policies:

(a) Revenue Recognition

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year becoming receivable.

(ii) Externally restricted non-capital contributions are recorded as deferred contributions and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested in capital assets are transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions to purchase capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized as revenue in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is recorded as a deferred contribution and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

(b) Full Cost

The Board accounts for all costs and revenues related to services carried out for which it is responsible.

The fair value of costs of services is recorded. Fair value transactions as recorded consist of the following:

(i) The fair value for use of non-acute care facilities not owned by the Board and provided to the Board at zero or nominal rent is recorded as other government contributions and as program expenses.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(ii) Other assets, supplies and service contribution that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Board in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

(iii) The staff involved in the delivery and support of the mental health operations transferred from Alberta Health and Wellness to the Board are seconded to the Board. The value of salaries, wages and benefits for the seconded staff, provided by the Province of Alberta, are reflected as Alberta Health and Wellness contributions and program expenses in the statement of operations.

(c) Pension Plan Expense and Obligation

The Board and its eligible employees participated in the Local Authorities Pension Plan, the Public Service Pension Plan and the Management Employees Pension Plan.

The Board's pension plan obligation represents its portion of the unfunded pension liability of these pension plans, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based on the ratio of pensionable earnings of the Board's employees to the earnings of all employees in these pension plans. The ratio is adjusted annually based on the previous year's pensionable earnings of all employees in the plans.

Pension expense included in salaries, benefits and allowances comprises: the cost of pension benefits earned by employees during the year; interest on unfunded liabilities; amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long term; and the effect of change in the ratio used to allocate the pension plans' total unfunded liability to participating employers.

(d) Cash and Temporary Investments

Cash and temporary investments comprise cash and investments with maturity dates less than three months from date of purchase.

Temporary investments are recorded at lower of cost and quoted market value.

(e) Investments

Non-current investments are recorded at cost. The cost of disposal is determined on the average cost basis. Gains or losses realised on disposal are recognized in the period of disposal.

Where there has been a loss in the value of an investment, other than a temporary decline, the investment is written down. The full-value of the write-down is recognized in the statement of operations in the period when the write-down occurs.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(f) Financial Instruments

The carrying value of accounts receivable, contribution receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturity of these items.

(g) Inventories

Inventories held for consumption are valued at the lower of cost and replacement cost.

(h) Capital Assets

Capital assets and deferred development costs are recorded at cost. Non-direct patient care capital assets costing less than $2,000 are expensed, while direct patient care capital assets costing less than $500 are expensed. Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful Life
Facilities and improvements	10 to 50 years
Furniture and equipment	5 to 15 years

Deferred development costs are not amortized until the project is complete and the asset is put into use.

(i) Measurement Uncertainty

The financial statements by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements of changes in such estimates in future periods could be significant.

Note 3 Cash and Temporary Investments and Non-Current Investments

(a) Cash and Temporary Investments

	2000	1999
	(thousands of dollars)	
Cash	$ 5,379	$ 2,841
Temporary investments	26,373	35,109
	$ 31,752	$ 37,950

(b) Non-Current Investments

	2000	1999
Bonds	$ 10,388	$ -
Cash	-	2,192
	$ 10,388	$ 2,192

As at March 31, 2000, the quoted market value of the bonds was $10,408,809.

(i) Income and financial returns are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from failure by another party to perform according to terms of the contract. Price risk comprises interest rate risk and market risk. Interest rate risk relates to the possibility that investments will change in value with future fluctuations in market interest rates. Market risk relates to the possibility that investments will change in value due to future fluctuations in market price.

To earn optimal financial returns while maintaining the investment capital, management has established a policy of investing in fixed-income instruments.

(ii) Fixed- income securities have an average effective yield of 5.24% per annum for temporary investment securities maturing in a year, and 6.18% per annum for bonds maturing in fiscal 2002 and subsequent years. As at March 31, 2000, the securities have the following term structure based on par value:

	%	2000
		(thousands of dollars)
Under 1 year	70	$ 26,373
2 years and greater	30	10,388
	100	$ 36,761

Note 3 Cash and Temporary Investments and Non-Current Investments (continued)

Non-current cash and investments represent the following:

	2000	1999
	(thousands of dollars)	
Externally restricted for capital purposes (Note 6)	553	459
Internally restricted for capital purposes (Note 10)	1,733	1,733
Unrestricted funds invested in non-current investments	8,102	-
	$ 10,388	$ 2,192

Note 4 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		(thousands of dollars)		
Land	$ 2,831	$ -	$ 2,831	$ 2,831
Facilities and improvements	86,250	48,142	38,108	40,502
Furniture and equipment	28,408	17,804	10,604	6,505
Construction in progress	2,815	-	2,815	1,376
	$ 120,304	$ 65,946	$ 54,358	$ 51,214

Capital assets have been funded from the following sources:

	(thousands of dollars)	
Externally funded		
Land	$ 2,831	$ 2,831
Other	43,757	42,458
Internally funded	7,770	5,925
	$ 54,358	$ 51,214

Note 5 Deferred Contributions

	2000	1999
	(thousands of dollars)	
Amounts received:		
Alberta Health and Wellness contributions		
Year 2000	$ 1,058	$ -
Other	120	-
Other government contributions	3,780	3,754
Year 2000 investment income	10	18
Other amounts received	123	55
	5,091	3,827
Less transferred to deferred capital contributions (Note 6)		
Year 2000		
Alberta Infrastructure	(1,434)	(1,160)
School of Nursing operations	(2,634)	-
	(25)	-
	998	2,667
Amounts recognized as revenue:		
Alberta Health and Wellness contributions (Note 13)		
Year 2000	423	569
Other	308	2,060
Other government contributions	1,969	1,732
Other income	29	20
	2,729	4,381
Change during the year	(1,731)	(1,714)
Balance, beginning of year	6,612	8,326
	$ 4,881	$ 6,612

Unspent amounts at the end of the year are restricted for the following purposes:

	2000	1999
Alberta Health and Wellness contributions		
Community services	$ 1,577	$ 1,577
Year 2000 restricted grant	-	789
Other	79	267
Other government contributions		
Alberta Infrastructure		
Capital maintenance	1,702	3,808
Capital project	939	-
Alberta Community Development	-	5
Student Health Initiative	372	-
Alberta Learning		
School of Nursing operations	53	100
Health and Welfare Canada		
Leasehold improvements	10	11
Private drug companies - Claresholm Care Centre Research	55	55
Canadian Health Services Research Foundation		
Research Study	94	-
	$ 4,881	$ 6,612

Note 6 Deferred Capital Contributions

The deferred capital contributions balance represents amounts accounted for in accordance with accounting policy described in Note 2a (iii).

	2000	1999
	(thousands of dollars)	
Amounts received (returned):		
Restricted Alberta Health and Wellness contributions	$ 696	$ -
Restricted other government contributions	-	(334)
Donations restricted for capital purposes	-	10
Investment income	-	(49)
	696	(373)
Transferred from deferred contributions (Note 5)	4,093	1,160
	4,789	787
Transferred to:		
Unamortized external capital contributions (Note 8)	(4,695)	(1,190)
Change during the year	94	(403)
Balance, beginning of year	459	862
Balance, end of year	$ 553	$ 459

Balance, end of the year is restricted for the following purposes:

	2000	1999
New equipment	94	-
Betterment of capital assets	459	459
	$ 553	$ 459

Note 7 Pension Plan Obligation

The Board and its employees participate with other employers in the Local Authorities Pension Plan, the Public Service Pension Plan and the Management Employees Pension Plan, which are defined benefit pension plans. These plans provide pensions for Board employees based on length of service and earnings.

The total unfunded pension liability for the Local Authority Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative is based on an actuarial valuation as at December 31, 1997 extrapolated to March 31, 1999.

The total unfunded pension liability for the Management Employees Pension Plan relating to pre 1992 service, was determined by an actuarial valuation as at December 31, 1997, extrapolated to March 31, 1999 and March 31, 2000.

The Public Sector Pension Plans Act specifies the basis on which to determine the total unfunded liability amount for each plan that will be funded by employers.

	2000	1999
	(thousands of dollars)	
Local Authorities Pension Plan	$ 316	$ 284
Public Service Pension Plan	122	182
Management Employees Pension Plan	248	49
	$ 686	$ 515

On May 1, 1999 and August 1, 1998, Alberta Health and Wellness transferred the employment contracts and associated pension liability of certain employees to the Board (see Note 23). At the dates of the transfers the unfunded pension liability associated with these employees amounted to $699,000 and $403,000 respectively.

Note 7 Pension Plan Obligation (continued)

The transfers have resulted in increases in the total pension plan obligations which have been accounted for as follows:

Offset of transfer amounts against Alberta Health and Wellness contributions (Notes 13 and 23)	$ 699	$ 403
Annual amortization of deferred gains on pension obligation of Board staff[1]	(528)	(142)
Net increase in pension obligation	$ 171	$ 261

[1] The amount shown in Schedule 2 for 1999 for annual amortization of deferred pension gains includes an additional $299,000 representing amortization for seconded staff at the community health clinics for the year, and at the two care centres from April 1, 1998 to August 1, 1998, the date that the amortized pension liability for the staff at the two care centres was transferred to the Board (see Note 22). In 2000, the amortized pension liability at March 31, 1999 for the seconded staff at the community health clinics was used to record the transfer at May 1, 1999.

Note 8 Unamortized External Capital Contributions

Unamortized external capital contributions reflect transactions accounted in accordance with the accounting policy described in Note 2a (iii). The balance at the end of year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
	(thousands of dollars)	
Balance at beginning of year	$ 42,458	$ 44,688
Add amounts transferred from deferred capital contributions (Note 6)	4,695	1,190
Less amounts recognized as revenue	(3,396)	(3,420)
	$ 43,757	$ 42,458

Note 9 Unrestricted and Internally Restricted Net Assets

	2000 (thousands of dollars)
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ 8,404
Changes since regionalization:	
Cumulative operating surplus	18,702
Invested in capital assets (net of amortization)	(5,204)
Balance	$ 21,902
Unrestricted	$ 12,273
Internally restricted	9,629
	$ 21,902

Note 10 Internally Restricted Net Assets

	2000 (thousands of dollars)	1999
The Board has internally restricted the following amounts for:		
Future equipment replacement	$ 733	$ 733
Capital projects	1,000	1,000
Other:		
Alberta Hospital Edmonton Research Fund	360	373
Young Offenders Demo Project	197	265
Operating reserve	713	713
Pension reserve	542	542
Human resources	1,500	1,500
Langin Place Project	200	-
Children's Mental Health Initiative	4,384	-
	$ 9,629	$ 5,126

Note 11 Commitments and Contingencies

(a) Contracted services and operating leases

The Board has minimum contract commitments for dietary, housekeeping and security services, and operating leases for photocopier, fax machines and vehicles as follows:

For the year ended March 31	Contracts	Leases (thousands of dollars)	Total
2001	$ 2,999	$ 1,092	$ 4,091
2002	-	871	871
2003	-	633	633
2004	-	307	307
2005	-	230	230
2006 and thereafter	-	475	475
	$ 2,999	$ 3,608	$ 6,607

(b) Contingencies

Claims for $2.5 million have been filed against the Board to cover costs alleged to have been incurred as a result of delays in construction of the Brain Injury Rehabilitation Program and the Education Complex at Alberta Hospital Ponoka. Management believes it has a valid defense against these claims. It is not possible at this time to determine the amount, if any, that the Board may eventually pay. If any payment is made, it will be accounted for in the period when it is settled.

Note 12 Budget

	Approved Budget [1]	Additional Funding [2]	Adjustments [3]	Reported Budget
	(thousands of dollars)			
Revenues				
Alberta Health and Wellness contributions	$ 168,087	$ 6,289	$ (499)	$ 173,877
Other government contributions	5,330	-	-	5,330
Fees and charges	2,862	-	-	2,862
Ancillary operations, net	(49)	-	-	(49)
Donations	20	-	-	20
Investment and other income	3,351	-	(200)	3,151
Amortization of external capital contributions	3,826	-	-	3,826
	183,427	6,289	(699)	189,017
Expenses				
Facility based inpatient services	47,776	-	(9,841)	37,935
Facility based emergency and outpatient services	6,619	-	835	7,454
Facility based continuing care services	8,489	-	5,774	14,263
Community and home based services	57,226	-	3,900	61,126
Diagnostic and therapeutic services	16,213	-	184	16,397
Promotion, prevention and protection services	3,023	-	-	3,023
Research and education	645	-	-	645
Administration	13,528	-	(1,185)	12,343
Information technology and alberta we net	4,228	-	771	4,999
Support services	25,945	-	(191)	25,754
Amortization of facilities and improvements	3,347	-	(775)	2,572
	187,039	-	(528)	186,511
(Deficiency) excess of revenue over expense	$ (3,612)	$ 6,289	$ (171)	$ 2,506

(1) The budget was approved by the Alberta Mental Health Board on April 28, 1999 and approved by the Minister of Health and Wellness.

(2) On December 21, 1999, the Minister of Health and Wellness provided additional funding to the Board. These additional resources were allocated by the Board to address funding expectations.

(3) Adjustments arising from the Board re-allocations, changes in the unfunded pension liability, coding inconsistencies, and changes to comply with Financial Directive 16.

Note 13 Alberta Health and Wellness Contributions

	2000		
	Budget	Actual	1999
	(thousands of dollars)		
Unrestricted contributions	$ 173,877	$ 174,225	$ 149,067
Transfers from deferred contributions (Note 5)			
Year 2000	-	423	569
Other	-	308	2,060
Transfers of employment contract liabilities (Note 23)	-	(1,800)	(991)
	$ 173,877	$ 173,156	$ 150,705

Note 14 Other Government Contributions

	2000		
	Budget	Actual	1999
	(thousands of dollars)		
Accommodation costs for Board facilities borne by Alberta Infrastructure			
Mental Health clinics and administration offices	$ 2,492	$ 2,317	$ 2,352
Claresholm and Raymond Care Centres	1,635	1,728	1,635
Alberta Infrastructure:			
Capital maintenance	1,150	200	1,565
Capital project	-	667	-
Service in kind	-	-	116
Student Health Initiative	-	684	-
Sundry	53	418	253
	$ 5,330	$ 6,014	$ 5,921

Note 15 Ancillary Operations

	2000					1999
	Non-Patient Food Services Operations	Rental and Laundry Operations	Parking ands Other Operations	Total	Budget	Total
Revenues	$ 1,022	$ 831	$ 72	$ 1,925	$ 1,311	$ 1,817
Expenses						
Direct expenses	1,528	734	139	2,401	1,297	1,942
Amortization	15	46	-	61	63	75
	1,543	780	139	2,462	1,360	2,017
(Deficiency) excess of revenue over direct expenses 1999-2000	$ (521)	$ 51	$ (67)	$ (537)	$ (49)	
Deficiency of revenue over direct expenses 1998-1999	$ (139)	$ (30)	$ (31)			$ (200)

Note 16 Investment and Other Income

	Budget	2000	1999
	(thousands of dollars)		
Unrestricted investment income	$ 2,234	$ 2,175	$ 2,182
Other income	917	1,266	1,224
	$ 3,151	$ 3,441	$ 3,406

Unrestricted investment income is comprised of interest earned on investments. Other income comprises primarily of revenues from vocational rehabilitation programs and program cost recovery.

Note 17 Administration

	Budget	2000	1999
	(thousands of dollars)		
General Administration	$ 8,032	$ 6,224	$ 6,558
Finance	2,189	2,490	2,148
Personnel	2,122	2,443	2,124
	$ 12,343	$ 11,157	$ 10,830

Note 18 Information Technology and alberta we/net

	Budget	2000	1999
	(thousands of dollars)		
Information technology	$ 4,173	$ 3,982	$ 3,658
alberta we/net	826	729	745
	$ 4,999	$ 4,711	$ 4,403

During 1999-2000, the Board contributed $825,000 towards the alberta we/net initiative. Of these contributions, $96,000 have been capitalized and $729,000 have been expensed. An additional $85,000 relating to Alberta Health and Wellness' contribution to alberta we/net, to match the Board's contribution, was capitalized during the year. The Board recorded a corresponding increase in unamortized external capital contributions for $85,000.

alberta we/net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve health service delivery to all Albertans.

Note 19 Year 2000 Remedial Costs

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Board, including those related to suppliers and other third parties, have been fully resolved.

Note 20 Support Services

	Budget	2000	1999
	(thousands of dollars)		
Building maintenance, operations and security	$ 10,146	$ 10,493	$ 10,918
Patient food services	5,537	5,726	5,801
Housekeeping	3,238	3,343	3,273
Laundry and linen	1,152	1,274	1,194
Materials management	1,350	1,265	1,483
Patient transportation	1,078	1,071	1,029
Patient services	1,200	1,149	1,186
Patient health records	802	842	878
Education	625	623	619
Communications	475	508	495
Volunteer services	151	146	134
Bio-medical	-	103	74
	$ 25,754	$ 26,543	$ 27,084

Note 21 Change in Non-Cash Working Capital Accounts

	2000	1999
	(thousands of dollars)	
Accounts receivable	$ (689)	$ 4,035
Contribution receivable	(1,058)	-
Inventories	(138)	55
Prepaid expenses	(310)	(930)
Accounts payable and accrued liabilities	2,926	163
Accrued vacation pay	2,287	892
Deferred contributions	(1,731)	(1,714)
	$ 1,287	$ 2,501

Note 22 Related Parties

(a) Province of Alberta

The Board is established under the Regional Health Authorities Act. Transactions between the Board and the Province of Alberta are disclosed in the Statement of Operations and in Notes 5, 6, 12 and 13.

(b) Alberta Hospital Edmonton Foundation

The Board has an economic interest in the Alberta Hospital Edmonton Foundation ("the Foundation"). The Board has the right to appoint a member to the Foundation's Board of Trustees. The financial information on the Foundation is as follows:

	Contributions received by the Alberta Mental Health Board		Resources held by Foundation	
	Year ended March 31		at March 31, 2000	
	2000	1999	Externally Restricted	Unrestricted
			(thousands of dollars)	
AHE Foundation	$ 12	$ -	$ 244	$ -
	$ 12	$ -	$ 244	$ -

Contributions comprise externally restricted amounts for mental health programs.

Note 23 Transfer of Community Clinic Employees

The excess (1999 deficiency) of revenues over expenditures for the year 2000 and 1999 includes a cost which relates to services provided prior to these two fiscal years.

In the current and prior year, Alberta Health and Wellness transferred the employment contracts for certain employees hitherto seconded to the Board by the Ministry. Contracts for staff employed at the community health clinics and at Claresholm and Raymond Care Centres were transferred on May 1, 1999 and August 1, 1998 respectively. The Board assumed the pension plan obligation and vacation entitlement liability for these employees as follows:

	May 1, 1999	August 1, 1998
	(thousands of dollars)	
Pension plan obligation	$ 699	$ 403
Vacation accrual	1,101	588
Total	$ 1,800	$ 991

The effect of the May 1, 1999 and August 1, 1998 transfers is reflected in the financial statements respectively as reductions in Alberta Health and Wellness contribution revenues for the years 2000 and 1999. The pension plan obligations and vacation accruals at March 31, 2000 and 1999 include liabilities at those dates for the transferred employee contracts.

Note 24 Comparative Figures

Certain comparative figures have been reclassified to conform to the 2000 presentation.

Note 25 Approval of Financial Statements

These financial statements have been approved by the Finance and Human Resources Committee in accordance with authority delegated by the Board of Directors.

Schedule 1

ALBERTA MENTAL HEALTH BOARD
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000		1999
	Budget	Actual	Actual
Salaries, benefits, allowances and severance (Schedule 2)	$ 111,760	$ 115,464	$ 102,353
Contracts with health service operators	29,606	29,476	25,373
Drugs, gases, medical and surgical supplies	2,462	3,228	2,804
Consulting services	15,699	11,197	6,105
Facility Rent	4,818	4,719	4,667
Food Supplies	2,690	3,231	3,119
Travel	2,279	2,659	2,158
Utilities	2,128	2,625	2,173
Supplies	1,906	2,279	2,167
Other expenses	9,596	9,852	16,404
Amortization:			-
Capital equipment - internally funded	1,101	1,033	1,036
Capital equipment - externally funded	1,254	993	746
Facilities and improvements - externally funded	2,572	2,403	2,674
	187,871	189,159	171,779
Less amounts reported in ancillary operations (Note 15)	(1,360)	(2,462)	(2,017)
	$ 186,511	$ 186,697	$ 169,762

Schedule 2

ALBERTA MENTAL HEALTH BOARD
SCHEDULE OF SALARIES, HONORARIA, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999			
					Severance						
	Number of Full Time Equivalents	Salaries and Honoraria	Benefits and Allowances	Sub-total	Number of Full Time Equivalents	Amount	Total	Number of Full Time Equivalents	Salaries Benefits Honoraria	Severance	Total
AMHB Compensation											
Board Chairperson											
Schoenhofer, Betty	1.00	$ 47	$ 1	$ 48	-	$ -	$ 48	1.00	$ 44	$ -	$ 44
Board Members											
Bunce, Neil	1.00	7	-	7	-	-	7	1.00	8	-	8
Heinemann, Kathlene	1.00	5	-	5	-	-	5	1.00	5	-	5
Laird, Gloria	1.00	6	-	6	-	-	6	1.00	5	-	5
Mikkelsen, Dave	0.75	6	-	6	-	-	6	-	-	-	-
Peterson, Richard	0.75	8	-	8	-	-	8	-	-	-	-
Read, John	0.75	9	-	9	-	-	9	-	-	-	-
Smith, Terrence	0.17	1	-	1	-	-	1	1.00	6	-	6
Steinhauer, Sharon	0.75	4	-	4	-	-	4	-	-	-	-
Williams, Thomas	1.00	9	-	9	-	-	9	1.00	5	-	5
Wilson, Penny	0.17	1	-	1	-	-	1	1.00	5	-	5
Previous Board Members	-	-	-	-	-	-	-	1.00	2	-	2
Total honoraria	8.34	103	1	104	-	-	104	8.00	80	-	80
Staff											
Chief Executive Officer	0.25	47	8	55	-	-	55	0.25	33	-	33
Management persons reporting to the CEO											
Chief Operating Officer, Corporate Development	1.00	151	26	177	-	-	177	0.17	23	-	23
Chief Operating Officer, Facilities & Programs	0.75	123	21	144	-	-	144	0.25	33	-	33
Chief Operating OFficer, Community Development	1.00	115	20	135	-	-	135	0.25	25	-	25
Chief Operating Officer, Medical Services	-	-	-	-	-	-	-	0.08	11	-	11
Area Director, Central	-	-	-	-	-	-	-	0.75	142	-	142
Area Director, South	-	-	-	-	-	-	-	1.00	109	-	109
Other management persons reporting to those above (avg. 2000 $98; avg. 1999 $83, excl. severances)	13.63	1,151	188	1,339	-	-	1,339	15.84	1,314	85	1,399
Other management (avg. 2000 $77; avg. 1999 $72, excl. severances)	39.89	2,647	439	3,086	0.66	113	3,199	43.09	3,109	-	3,109
Medical doctors not included above (avg. 2000 $130; avg. 1999 $129, excl. severances)	0.96	115	11	126	-	-	126	1.20	155	-	155
Regulated nurses not included above (avg. 2000 $60; avg. 1999 $58, excl. severances)	635.98	33,372	5,057	38,429	-	-	38,429	599.55	34,814	60	34,874
Other health technicians and professionals (avg. 2000 $59; avg. 1999 $53, excl. severances)	419.56	20,434	3,122	23,556	1.00	9	23,565	356.92	19,020	15	19,035
Unregulated health service providers (avg. 2000 $33; avg. 1999 $38, excl. severances)	437.15	13,417	1,988	15,405	-	-	15,405	427.35	16,376	34	16,410
Other staff (avg. 2000 $42; avg. 1999 $40, excl. severances)	818.16	28,668	4,464	33,132	7.34	182	33,314	719.57	27,157	199	27,356
Pension obligation adjustment	-	-	(528)	(528)	-	-	(528)	-	(441)	-	(441)
Total staff	2,368.33	100,240	14,816	115,056	9.00	304	115,360	2,166.27	101,880	393	102,273
Total	2,376.67	$ 100,343	$ 14,817	$ 115,160	9.00	$ 304	$ 115,464	2,174.27	$ 101,960	$ 393	$ 102,353

Schedule 2 (continued)

SCHEDULE OF SALARIES, BENEFITS, ALLOWANCES AND SEVERANCE
FOR THE YEAR ENDED MARCH 31, 2000

1. Full time equivalent ("FTE") has been determined as follows:

	Employees of The AMHB (hours per year)
Chief Executive Officer	2,023
Management persons reporting to the CEO	2,023
Other Management person(s) reporting to those above	2,023
Other Management	2,023
Medical doctors not included above	2,023
Regulated nurses not included above	2,023
Other health technicians and professionals*	1892 - 2023
Unregulated health service providers*	1892 - 2023
Other staff*	1892 - 2088

* The range for Alberta Health and Wellness Seconded Employees transferred to the Board as of May 1, 1999 consists of 1,892 to 2,023 and 1,892 to 2,088 hours per year depending on the position held and location within the categories represented above.

Total actual discrete number of individuals employed in 2000 - 3,164 (1999 - 2,924).

2. Salaries include regular base pay, overtime, lump sum payments, honoraria and any other direct cash remuneration including sick leave, short-term disability and vacation. Individuals under contract by the Board are not reflected in this schedule.

3. Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out of country medical benefits, group life insurance, accidental death and dismemberment, long-term disability plans, Canada Pension Plan, unemployment insurance, workers compensation, car benefits and allowances and tuition.

4. Severance includes:

   All monies paid directly or on behalf of an employee upon termination which are not included in salaries and benefits and continued payment of AMHB's share of benefits identified in 2 above, that will continue to be paid and outplacement training and counseling office space and administrative support.

5. The total amount of salaries is reported in schedule 1, Expenses by Object, which includes $1,174,935 in salaries reported in Note 14, Ancillary Operations.

Schedule 3

ALBERTA MENTAL HEALTH BOARD
THREE YEAR SUMMARY OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	Actual		
	2000	**1999**	**1998**
Revenues			
Alberta Health and Wellness contributions	$ 173,156	$ 150,705	$ 139,835
Other government contributions	6,014	5,921	5,192
Fees and charges	3,467	2,627	2,858
Ancillary operations, net	(537)	(200)	(197)
Donations	51	58	171
Investment and other income	3,441	3,406	3,596
Amortization of external capital contributions	3,396	3,420	3,209
TOTAL REVENUES	$ 188,988	$ 165,937	$ 154,664
Expenses			
Facility-based inpatient services	$ 46,667	$ 40,487	$ 37,787
Facility-based emergency and outpatient services	7,097	6,096	6,252
Facility-based continuing care services	14,256	8,622	8,281
Community and home-based services	53,361	50,712	41,350
Diagnostic and therapeutic services	16,621	15,294	14,979
Promotion, prevention and protection services	3,131	2,904	2,932
Research and education	305	87	48
Administration	11,157	10,830	9,203
Information technology and alberta we net	4,711	4,403	2,827
Year 2000 remedial costs	445	569	-
Support services	26,543	27,084	25,305
Amortization of facilities and improvements	2,403	2,674	2,601
TOTAL EXPENSES	$ 186,697	$ 169,762	$ 151,565
Excess (deficiency) of revenues over expenses	$ 2,291	$ (3,825)	$ 3,099

Alberta Cancer Board

Financial Statements

March 31, 2000

ALBERTA CANCER BOARD

FINANCIAL STATEMENTS

MARCH 31, 2000

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AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the
Alberta Cancer Board

I have audited the statement of financial position of the Alberta Cancer Board ("the Board") as at March 31, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
May 19, 2000

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements are the responsibility of management and have been approved by the Board. The financial statements were prepared in accordance with Canadian generally accepted accounting principles and the financial directives issued by Alberta Health and Wellness, and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Board has established a code of ethics and corporate directives, which require communication of the code to employees.

The Board members carry out their responsibility for the financial statements through the Finance Committee. This Committee meets with management and the external auditor, the Auditor General of Alberta, to discuss and review financial matters, and recommends the financial statements to the Alberta Cancer Board for approval. The external auditor has full and free access to the Finance Committee.

The external auditor, the Auditor General of Alberta, provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allows him to report on the fairness of the financial statements prepared by management.

Dr. Jean-Michel Turc

Rick Boyd

Simon Brown

ALBERTA CANCER BOARD
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2000

(thousands of dollars)

	2000	1999 (As restated, note 25)
ASSETS		
Current:		
Cash (note 3)	$ 18,254	$ 25,737
Accounts receivable	3,120	2,329
Contributions receivable	3,283	-
Inventories	2,937	2,071
Prepaid expenses	477	439
	28,071	30,576
Non-current cash and investments (note 4)	24,941	23,594
Capital assets (note 5)	119,691	111,667
	$ 172,703	$ 165,837
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	$ 15,505	$ 12,359
Accrued vacation pay	3,690	3,218
Deferred contributions (note 6)	9,789	5,109
	28,984	20,686
Deferred capital contributions (note 7)	10,413	14,256
Pension plan obligation (note 8)	235	1,213
Unamortized external capital contributions (note 9)	110,104	103,421
	149,736	139,576
Net assets:		
Unrestricted (note 10)	7,569	10,568
Internally restricted (note 11)	5,811	7,447
Investment in capital assets	9,587	8,246
	22,967	26,261
Commitments and contingencies (note 12)		
	$ 172,703	$ 165,837

The accompanying notes and schedules are part of these financial statements.

ALBERTA CANCER BOARD
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000 Budget (Note 13)	2000 Actual	1999 Actual (As restated, note 25)
Revenues:			
Alberta Health and Wellness contributions (note 14)	$ 88,129	$ 88,774	$ 80,660
Other government contributions (note 15)	425	443	429
Fees and charges	2,742	2,243	2,935
Ancillary operations, net (note 16)	127	157	137
Donations	950	1,337	1,138
Investment and other income (note 17)	11,834	16,132	12,652
Amortization of external capital contributions (note 9)	8,980	9,515	8,500
	113,187	118,601	106,451
Expenses (Schedule 1):			
Facility based inpatient acute care services	9,938	10,525	8,777
Facility based outpatient services	24,583	26,103	21,143
Community services	9,497	9,994	9,057
Diagnostic and therapeutic services	29,691	29,960	27,249
Promotion, prevention and protection services	5,386	5,136	5,208
Research and education	13,028	14,707	13,010
Administration (note 18)	3,653	3,948	3,609
Information technology and wel*l*net (note 19)	1,794	2,696	1,325
Year 2000 remedial costs (note 20)	950	880	322
Support services (note 21)	12,733	13,065	12,177
Amortization of facilities and improvements	4,474	4,881	4,253
	115,727	121,895	106,130
Excess (deficiency) of revenues over expenses	$ (2,540)	$ (3,294)	$ 321

The accompanying notes and schedules are part of these financial statements.

ALBERTA CANCER BOARD
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000				1999
	Unrestricted (Note 10)	Internally restricted (Note 11)	Investment in capital assets	Total	Total (As restated, note 25)
Excess (deficiency) of revenues over expenses	$ (3,294)	$ –	$ –	$ (3,294)	$ 321
Capital assets purchased with internal funds	18	(2,821)	2,803	–	–
Amortization of internally funded capital equipment	1,457	–	(1,457)	–	–
Loss on disposal of internally funded capital equipment	5	–	(5)	–	–
Increase in research reserve	(1,185)	1,185	–	–	–
Net change	(2,999)	(1,636)	1,341	(3,294)	321
Balance, beginning of year, as restated (note 25)	10,568	7,447	8,246	26,261	25,940
Balance, end of year	$ 7,569	$ 5,811	$ 9,587	$ 22,967	$ 26,261

The accompanying notes and schedules are part of these financial statements.

ALBERTA CANCER BOARD
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2000
(thousands of dollars)

	2000		1999
	Budget	Actual	Actual (As restated, note 25)
Cash generated from (used by):			
Operating activities:			
Excess (deficiency) of revenues over expenses	$ (2,540)	$ (3,294)	$ 321
Non-cash transactions:			
Decrease in pension obligations	–	(978)	(59)
Amortization of capital equipment:			
- internally funded	1,209	1,457	963
- externally funded	4,506	4,640	4,253
Amortization of facilities and improvements	4,474	5,070	4,442
Amortization of external capital contributions, including ancillary operations	(10,189)	(9,710)	(8,695)
Loss on disposal of internally funded capital equipment	–	5	–
	(2,540)	(2,810)	1,225
Change in non-cash working capital accounts (note 22)	500	3,320	10,507
Cash generated from (used by) operations	(2,040)	510	11,732
Investing activities:			
Purchase of non-current investments, net	–	(1,347)	1,891
Purchase of capital assets:			
Internally funded	(3,151)	(2,803)	(3,963)
Externally funded (note 7)			
- equipment	(11,300)	(11,212)	(7,859)
- facilities and improvements	(10,000)	(5,181)	(10,725)
Cash used by investing activities	(24,451)	(20,543)	(20,656)
Financing activities:			
Capital contributions received, net	14,451	12,550	16,745
Cash generated from financing activities	14,451	12,550	16,745
Increase (decrease) in cash	(12,040)	(7,483)	7,821
Cash, beginning of year	25,737	25,737	17,916
Cash, end of year	$ 13,697	$ 18,254	$ 25,737

The accompanying notes and schedules are part of these financial statements.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2000
(thousands of dollars)

Note 1 **Authority, purpose and operations**

The Alberta Cancer Board (the "Board") was initially established in 1967 and now operates under the authority of the Cancer Programs Act Chapter C-1, Revised Statutes of Alberta, 1992.

The Board is exempt from the payment of income tax.

The Board provides cancer services to Albertans through research, diagnosis, treatment, education and prevention programs and it coordinates, in cooperation with others, the planning, development and delivery of provincial cancer services.

The operations of the Board include the following facilities and sites:

Cross Cancer Institute - Edmonton
Tom Baker Cancer Centre - Calgary
Regional Cancer Clinics - Grande Prairie, Red Deer, Lethbridge and Medicine Hat
Community Cancer Centres - Camrose, Hinton, Barrhead, Bonnyville, Drumheller, High River, Peace River and Fort McMurray
Breast screening sites - Edmonton and Calgary - plus three mobile vans
Edmonton Radio-pharmaceutical Centre - Edmonton
Southern Alberta Cancer Research Centre - Calgary

These financial statements do not include assets, liabilities and operations of any voluntary or private facilities providing health services in the Province of Alberta, nor the Alberta Cancer Foundation. Information on these entities is disclosed in note 23.

Note 2 **Summary of significant accounting policies and reporting practices**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the reporting requirements of Financial Directive 16 issued by Alberta Health and Wellness. The following are the significant accounting policies:

(a) Revenue recognition

These financial statements have been prepared using the deferral method, the key elements of which are:

(i) Unrestricted operating grants and other contributions are recognized as revenue in the year received or becoming receivable.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 2 **Summary of significant accounting policies and reporting practices, continued:**

(a) Revenue recognition, continued:

(ii) Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

(iii) Externally restricted capital contributions are recorded as deferred contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

(iv) Restricted contributions for the purchase of capital assets which will not be amortized are recorded as direct increases to net assets.

(v) Unrestricted investment income is recognized in the year it is earned.

(vi) Investment income subject to external restrictions is, depending on the nature of the restrictions, recorded as a direct increase to net assets, or is deferred and recognized as revenue in the year the related expenses are incurred.

(vii) Donations and contributions in kind are recorded at fair value when such value can be reasonably determined.

(b) Full cost:

The Board accounts for all costs and revenues related to services carried out for which it is responsible. The fair value of costs of services is recorded.

Any assets, supplies and service contributions that would otherwise have been purchased are recorded as revenue and expenses, at fair value at the date of contribution, when a fair value can be reasonably determined. Volunteers contribute a significant amount of time each year to assist the Board in carrying out its programs and services. However, contributed services of volunteers are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 2 Summary of significant accounting policies and reporting practices, continued

(c) Pension plan expense and obligation:

The Board and its eligible employees participate in the Public Service Pension Plan.

The Board's pension plan obligation represents its portion of the unfunded pension liability of this pension plan, including deferred adjustments arising from experience gains and losses and changes in actuarial assumptions identified by new actuarial valuations.

The portion is based upon the ratio of pensionable earnings of the Board's employees to the earnings of all employees in the pension plan. The ratio is adjusted annually based upon the previous year's pensionable earnings of all employees in the plan.

The pension expense included in salaries, benefits and allowances comprises the cost of benefits earned by employees during the year, interest on the unfunded liabilities, the amortization of deferred adjustments over the expected average remaining service life of employees which relate to the long-term, and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating employers.

(d) Investments:

Non-current investments are recorded at cost. Cost includes the amount of applicable amortization of discounts or premiums using the straight-line method over the period to maturity. The cost of disposal is determined on the average cost basis. Gains or losses realized on disposal are recognized in the period of disposal.

Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(e) Financial instruments:

The carrying values of cash and temporary investments, accounts receivable, contributions receivable, accounts payable and accrued vacation pay approximate their fair values because of the short-term maturities of these items. The fair value of non-current cash and investments is disclosed in note 4.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 2 Summary of significant accounting policies and reporting practices, continued

(f) Inventories:

Inventories are recorded at the lower of cost and net realizable value.

(g) Capital assets:

Capital assets and construction projects in progress are recorded at cost.

Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	Useful life
Buildings	40 Years
Buildings service systems	10 - 20 Years
Parkade	30 Years
Equipment	5 - 15 Years
Motor vehicles	5 Years

Construction projects in progress and the we//net/Integrated Cancer Care Network will not be amortized until the projects are complete.

(h) Trust funds:

The Board administers certain trust funds on behalf of third parties. As related trust assets are not owned by the Board, transactions related to the receipt and disbursement of these funds are not reflected in these financial statements but are disclosed in note 24.

(i) Measurement uncertainty:

The financial statements by their nature, contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets and amortization of external capital contributions are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements, of changes in such estimates in future periods, could be significant.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 3 Cash

	2000	1999
Cash on deposit (outstanding cheques issued in excess of cash on deposit)	$ 194	$ (159)
CCITF - Operations	17,258	23,883
CCITF - Capital projects	4,789	6,706
Less restricted for capital acquisitions (note 4)	(3,987)	(4,693)
	802	2,013
	$ 18,254	$ 25,737

The Consolidated Cash Investment Trust Fund ("CCITF") of the Province of Alberta is a demand account managed by Alberta Treasury with the objective of providing competitive interest income to depositors while maintaining security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years. Interest is earned on the daily cash balance and the average rate of earnings of the CCITF varies depending on prevailing market interest rates. The rate of return for the year ended March 31, 2000 was 5.2%.

The Board has a line of credit available from its bankers in the amount of $1 million at the bank's prime rate. A general security agreement covering securities held by the bank has been pledged as security for the operating line of credit. The line of credit was not accessed during the year.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 4 Non-current cash and investments

	2000	1999
Investments:		
Money market securities	$ 1,677	$ 771
Fixed income securities:		
Canadian federal and provincial government bonds	7,435	7,332
Corporate bonds and debentures	2,667	3,236
Canadian equities	5,695	6,076
United States and foreign equities	3,480	1,486
	20,954	18,901
Cash subject to restrictions (note 3)	3,987	4,693
	$ 24,941	$ 23,594
Fair value	$ 28,020	$ 25,086

(i) To earn the optimal financial returns at an acceptable level of risk, the Board has established an asset mix policy of 0% to 10% for cash and cash equivalents, 40% to 70% for fixed income instruments, and 20% to 60% for equities. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed income and equity instruments.

(ii) Publicly traded fixed income securities are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints on the portfolio by management of portfolio duration and issuer mix and limiting investments to instruments with a rating of A or higher by the Dominion Bond Rating Service.

Fixed income securities have an average effective yield of 6.6% per annum based on the market for securities maturing in a year, and 6.4% per annum for securities maturing between 1 and 34 years. As at March 31, 2000, the securities have the following term structure:

	%
Under 1 year	22
1 to 5 years	35
5 to 10 years	23
Over 10 years	20
	100

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 4 Non-current cash and investments, continued

(iii) Equities comprise publicly traded equities. Risk is reduced by prudent security selection, sector rotation and limiting exposure to any one stock to 10% of the total equity market value.

Non-current cash and investments represent the following:

	2000	1999
Externally restricted for capital acquisitions (note 7)	$ 10,413	$ 14,256
Internally restricted net assets (note 11)	5,811	7,447
Unrestricted net assets used to finance investments	8,717	1,891
	$ 24,941	$ 23,594

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 5 Capital assets

	2000			1999
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 4,556	$ –	$ 4,556	$ 4,556
Buildings	72,070	25,082	46,988	36,411
Buildings service systems	36,813	16,329	20,484	22,319
Parkade	5,507	1,910	3,597	3,785
Equipment	80,142	47,788	32,354	27,108
Motor vehicles	225	144	81	65
Construction in progress	3,587	–	3,587	12,003
wel/net/Integrated Cancer Care Network (note 19)	4,224	–	4,224	687
Deposits on equipment	3,820	–	3,820	4,733
	$ 210,944	$ 91,253	$ 119,691	$ 111,667

Capital assets have been funded from the following sources:

	2000	1999
Externally funded (unamortized external capital contributions)	$ 110,104	$ 103,421
Internally funded (net assets invested in capital assets)	9,587	8,246
	$ 119,691	$ 111,667

Cost includes the appraised value at March 31, 1989 of the original Cross Cancer Institute land and building transferred to the Board from the Province of Alberta on that date.

In the same year, the Mewburn Veterans Centre was transferred from Alberta Infrastructure to the Alberta Cancer Board. The appraised value of the building at the time of transfer was $5,620. The Board entered into a long-term lease of the Centre to the Capital Health Authority for a nominal rent and accordingly, the building has been recorded at nominal value.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 5 Capital assets, continued

In July, 1989, the Board and the University of Alberta jointly completed the construction of a parkade on land owned by the University adjoining the Cross Cancer Institute. The Board incurred expenditures of $5,507 on the parkade which amounted to 62.5% of the cost of the parkade. In return, the University granted the Board 62.5% of the use of the parkade rent-free until the year 2009, with two additional five year renewal terms. The Board pays a portion of the parkade's operating costs.

Note 6 Deferred contributions

	2000	1999 (As restated, note 25)
Amounts received:		
Alberta Health and Wellness contributions	$ 5,793	$ 2,800
Other government contributions	307	428
Donations	1,221	760
Research and operating grants	13,671	9,634
	20,992	13,622
Amounts recognized as revenue:		
Alberta Health and Wellness contributions	2,624	3,724
Other government contributions	443	429
Donations	1,329	1,138
Research and operating grants	11,916	8,549
	16,312	13,840
Change during the year	4,680	(218)
Balance, beginning of year	5,109	5,327
Balance, end of year	$ 9,789	$ 5,109

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 6 Deferred contributions, continued

Unspent amounts at end of year are restricted for the following purposes:

	2000	1999 (As restated, note 25)
Operations:		
Alberta Health contributions	$ 581	$ 215
Alberta Cancer Foundation	7	102
Other contributions	891	833
	1,479	1,150
Research:		
Alberta Health contributions	3,267	464
Alberta Cancer Foundation	105	118
Other contributions	4,938	3,377
	8,310	3,959
	$ 9,789	$ 5,109

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 7 Deferred capital contributions

The deferred capital contributions balance represents amounts accounted for in accordance with the accounting policy described in note 2(a).

	2000	1999
Amounts received:		
Restricted Alberta Health and Wellness contributions including wc/net	$ 9,671	$ 1,273
Restricted other government contributions	5,460	14,637
Donations restricted for capital purposes	994	884
Investment and other income	612	337
Proceeds on disposal of capital assets	39	15
	16,776	17,146
Transfers:		
Unamortized external capital contributions (note 9)	(16,393)	(18,584)
Year 2000 equipment replacement contribution - repayable to Province	(3,263)	-
Amounts used for minor capital purposes	(963)	(401)
	(20,619)	(18,985)
Change during the year	(3,843)	(1,839)
Balance, beginning of year	14,256	16,095
Balance, end of year	$ 10,413	$ 14,256

Balance at end of year is restricted for the following purposes:

	2000	1999
Year 2000 equipment replacement	$ –	$ 5,362
Equipment replacement	4,911	2,259
Betterment of capital assets	2,289	1,942
New construction (note 12)	3,213	4,693
	$ 10,413	$ 14,256

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 8 Pension plan obligation

The Board and its employees participate with other employers in the Public Service Pension Plan which is a defined benefit plan and provides pensions for the Board's employees based on length of service and earnings.

The total unfunded pension liability for the Public Service Pension Plan was determined by an actuarial valuation as at December 31, 1998, extrapolated to March 31, 2000. The comparative figures are based on an actuarial valuation as at December 31, 1997, extrapolated to March 31, 1999.

The Public Service Pension Plans Act specifies the basis to determine the total unfunded liability amount for each plan which will be funded by employers.

The Alberta Pensions Administration has reported that the total unfunded liability of the Public Service Pension Plan at March 31, 2000 is $174,094 (1999 - $244,000). The Board's share of this unfunded liability is $235 (1999 - $1,213). The decrease in the pension obligation has been allocated to programs.

Note 9 Unamortized external capital contributions

Unamortized external capital contributions reflect transactions accounted for in accordance with the accounting policy described in Note 2(a)(ii). The balance at the end of year represents the external capital contributions that will be recognized as revenue in future years.

	2000	1999
Balance, beginning of year	$ 103,421	$ 93,532
Add amounts transferred from deferred capital contributions (note 7)	16,393	18,584
Less amount recognized as revenue:		
General operations	(9,515)	(8,500)
Ancillary operations	(195)	(195)
	$ 110,104	$ 103,421

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 10 Unrestricted and internally restricted net assets

	2000	1999 (As restated, note 25)
Unrestricted and internally restricted net assets at regionalization - April 1, 1995	$ 12,782	$ 12,782
Changes since regionalization:		
Cumulative operating surplus	8,073	11,367
Add:		
Amortization of internally funded capital assets charged to investment in capital assets	3,688	2,226
Less:		
Purchase of capital assets internally funded	(11,163)	(8,360)
Balance	$ 13,380	$ 18,015
Unrestricted	$ (7,569)	$ (10,568)
Internally restricted	5,811	7,447
	$ 13,380	$ 18,015

Note 11 Internally restricted net assets

The Board has internally restricted the following amounts for:

	2000	1999
Future equipment replacement and information technology upgrades	$ 4,626	$ 7,447
Research	1,185	-
	$ 5,811	$ 7,447

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 12 Commitments and contingencies

(a) Commitments:

Future minimum lease payments under operating leases relating primarily to office and warehouse space are as follows:

2001	$ 334
2002	263
2003	208
2004	74
2005	14
	$ 893

The Board has also committed $750 relating to construction projects in progress.

(b) Contingencies:

The Board is defendant in various lawsuits as of March 31, 2000. While it is not possible to estimate the ultimate liability with respect to the pending litigation, the Board is satisfied that there will be no material adverse impact on the financial position of the Board as of March 31, 2000.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 13 Budget

	Approved budget(1)	Additional funding(2)	Adjustments(3)	Reported budget
Revenues:				
Alberta Health and Wellness contributions	$ 85,076	$ 3,053	$ –	$ 88,129
Other government contributions	425	–	–	425
Fees and charges	2,742	–	–	2,742
Ancillary operations, net	127	–	–	127
Donations	950	–	–	950
Investment and other revenue	10,578	–	1,256	11,834
Amortization of deferred capital contributions	8,980	–	–	8,980
	108,878	3,053	1,256	113,187
Expenses:				
Facility based inpatient acute care services	9,938	–	–	9,938
Facility based outpatient services	21,530	3,053	–	24,583
Community services	9,497	–	–	9,497
Diagnostic and therapeutic services	29,691	–	–	29,691
Epidemiology, prevention and screening	5,386	–	–	5,386
Research and education	13,542	–	(514)	13,028
Administration	3,604	–	49	3,653
Information technology and wellnet	1,537	–	257	1,794
Year 2000 remedial costs	–	–	950	950
Support services	12,219	–	514	12,733
Amortization of facilities and improvements	4,474	–	–	4,474
	111,418	3,053	1,256	115,727
Deficiency of revenues over expenses	$ (2,540)	$ –	$ –	$ (2,540)

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 13 Budget, continued

(1) The budget was approved by the Board on April 26, 1999, and approved by the Minister of Health and Wellness.

(2) On November 19, 1999, the Minister of Health and Wellness provided additional funding on a one-time basis. These additional resources were allocated by the Board to address new drug costs.

(3) Adjustments arising from Board reallocations are reclassifications of recoveries and education budgets.

Note 14 Alberta Health and Wellness contributions

	Budget	2000	1999
Unrestricted contributions	$ 84,650	$ 86,150	$ 76,936
Transfers from deferred contributions (note 6)	3,479	2,624	3,724
	$ 88,129	$ 88,774	$ 80,660

Note 15 Other government contributions

	Budget	2000	1999
Alberta Treasury	$ 10	$ 14	$ 12
Government of Canada	415	429	417
	$ 425	$ 443	$ 429

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 16 Ancillary operations

	2000					1999
	Non-patient food service operations	Parking operations	Edmonton Radio-pharmaceutical Centre	Total	Budget	Total
Revenues	$ 922	$ 381	$ 2,215	$ 3,518	$ 3,229	$ 3,368
Amortization of external capital contributions	6	189		195	195	195
	928	570	2,215	3,713	3,424	3,563
Expenses						
Other expenses	907	322	2,104	3,333	3,074	3,203
Amortization	5	189	29	223	223	223
	912	511	2,133	3,556	3,297	3,426
Excess of revenues over direct expenses 1999-2000	$ 16	$ 59	$ 82	$ 157	$ 127	$ 137
Excess of revenues over direct expenses 1999-1998	$ 2	$ 96	$ 39	$ 137	$ 239	$ 163

Note 17 Investment and other income

	Budget	2000	1999 (As restated, note 25)
Unrestricted investment income	$ 2,107	$ 2,886	$ 2,603
Restricted research and operating grants	8,671	11,916	8,549
Recoveries	1,056	1,330	1,500
	$ 11,834	$ 16,132	$ 12,652

Investment income is comprised of interest, dividends, amortization of discounts and premiums, and net gains on disposal of investments.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 18 Administration

	Budget	2000	1999
General administration	$ 2,626	$ 2,769	$ 2,517
Finance	418	435	428
Personnel	609	744	664
	$ 3,653	$ 3,948	$ 3,609

Note 19 Information technology and alberta we//net

	Budget	2000	1999
Alberta we//net	$	$ 673	$ -
Information systems support	1,794	2,023	1,325
	$ 1,794	$ 2,696	$ 1,325

Alberta we//net is the province-wide, strategic initiative to build a health information network. The initiative brings together a broad spectrum of health professionals into multi-disciplinary teams to put information technology to work to improve the health service delivery to all Albertans. Alberta we//net brings together doctors, nurses, regional health authorities, pharmacists, the Alberta Cancer Board, the Alberta Mental Health Board, universities and faculties of medicine, a national health information institute and Alberta Health and Wellness in the planning and implementation of the network.

The Board's contribution has been applied towards planning and pre-development activities that will produce clinical and administrative deliverables beginning in 1999-2000, or to develop applications to support we//net initiatives. In accordance with Canadian generally accepted accounting principles, $3,537 has been capitalized (note 5) and $673 has been expensed.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 20 Year 2000

The Year 2000 Issues arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which used certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue affecting the Board, including those related to suppliers and other third parties, have been fully resolved.

Note 21 Support services

	Budget	2000	1999
Medical physics	$ 3,028	$ 3,227	$ 3,028
Building maintenance, operations and security	3,700	3,536	3,318
Communication	51	36	58
Education	514	440	477
Housekeeping	1,327	1,345	1,131
Laundry and linen	312	333	323
Materials management	670	776	753
Patient health records	2,578	2,729	2,507
Patient Representative	97	86	74
Volunteer services	456	557	508
	$ 12,733	$ 13,065	$ 12,177

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 22 Changes in non-cash working capital accounts

	2000	1999 (As restated, note 25)
Accounts receivable	$ (791)	$ (1,217)
Contributions receivable	(3,283)	—
Inventories	(866)	8,426
Prepaid expenses	(38)	28
Accounts payable	3,146	3,188
Accrued vacation pay	472	300
Deferred contributions	4,680	(218)
	$ 3,320	$ 10,507

Note 23 Related parties

(a) The Province of Alberta:

The Board operates under the authority of the Province of Alberta. Transactions between the Board and the Province of Alberta are disclosed in the statements of operations and notes 6, 7, 14 and 15.

(b) Regional Health Authorities ("RHA's"):

The Board operates the Tom Baker Center in Calgary, its four Regional Cancer Clinics and eight Community Cancer Centers in facilities that are attached to RHA facilities or belong to RHA's. The RHA's provide both medical and building services to the Cancer Clinics on a cost recovery basis. The payments to the RHA's for these services are:

	2000	1999
Calgary RHA	$ 5,760	$ 4,690
Other RHA's	670	785
	$ 6,430	$ 5,475

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 23 Related parties, continued

(c) Alberta Cancer Foundation:

The Board controls the Alberta Cancer Foundation which raises money for cancer research and other cancer related activities and services. The Foundation is registered with Revenue Canada as a charitable foundation.

During the year, the Board received operating, research and capital grants from the Alberta Cancer Foundation totalling $1,242 (1999 - $2,069). At March 31, 2000, an amount of $389 was due to the Foundation (1999 - $110).

The Alberta Cancer Foundation has not been consolidated in the Board's financial statements. Audited financial statements of the Foundation are available upon request. A financial summary of the Alberta Cancer Foundation as at March 31, 2000 and 1999 and for the years then ended is as follows:

	2000	1999
Financial position:		
Assets	$ 37,807	$ 22,762
Liabilities	(5,647)	(3,451)
	$ 32,160	$ 19,311
Net assets:		
Accumulated excess of revenues over expenses	$ 366	$ 329
Investment in capital assets	124	
Internally restricted	15,325	14,448
Endowments	16,345	4,534
	$ 32,160	$ 19,311
Results of operations:		
Total revenue	$ 5,429	$ 4,430
Total expenses	4,391	3,483
Excess of revenue over expenses	$ 1,038	$ 947

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 23 Related parties, continued

(d) Cross Cancer Institute Volunteer Association:

The Board exercises significant influence over the Cross Cancer Institute Volunteer Association which was incorporated under the Societies Act of the Province of Alberta to provide services for the care and comfort of patients of the Cross Cancer Institute.

The Association administers the Lunch Program, Hostess Carts, Sun Room and Gift Shop which earned operating revenues of $292 (1999 - $234) and incurred operating expenditures of $155 (1999 - $128). The net revenues were expended by the Association, at its discretion, in accordance with the Association's objectives (see note 1).

	2000	1999
Total assets	$ 192	$ 223
Total liabilities	17	28
Net assets	$ 175	$ 195
Revenues	$ 328	$ 255
Expenses	348	265
Excess of revenues over expenses	$ (20)	$ (10)

Certain accommodation costs and a portion of salary costs incurred in the administration of the Association are borne by the Board and are included as expenditures of the Board.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 24 Trust funds

The Alberta Cancer Board administers certain trust funds on behalf of third parties. As related trust assets are not owned by the Board, the trusts have not been reported in these financial statements.

	March 31, 1999	Deposits	Withdrawals	March 31, 2000
Alberta Infrastructure	$ 491	$ 390	$ (748)	$ 133
Alberta Tobacco Reduction Plan	113	1,191	(1,297)	7
Other trust accounts	62	135	(104)	93
	$ 666	$ 1,716	$ (2,149)	$ 233

The amounts received from Alberta Infrastructure are for capital purposes and facility repairs at non-owned facilities.

Note 25 Adjustments to prior years:

In prior years, certain research contributions were recorded as deferred yet they did not have external restrictions on their use. A correcting adjustment has been made to:

Increase unrestricted net assets at April 1998	$ 671
Increase excess of revenues over expenses for the year ended March 31, 1999	398
Increase unrestricted net assets at March 31, 1999	$ 1,069
Decrease deferred contributions at March 31, 1999	$ 1,069

If this adjustment had not been made, revenues over expenses for the current year would have remained unchanged.

ALBERTA CANCER BOARD
NOTES TO FINANCIAL STATEMENTS, CONTINUED
MARCH 31, 2000
(thousands of dollars)

Note 26 Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.

Note 27 Approval of financial statements

The financial statements have been approved by the Board.

ALBERTA CANCER BOARD

SCHEDULE 1 - EXPENSES BY OBJECT

YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
Salaries, benefits, allowances and severance (Schedule 2)	$ 59,176	$ 60,492	$ 55,259
Drugs, gases, medical and surgical supplies	18,824	21,460	15,640
Consulting services	338	369	229
Other	30,240	31,586	28,283
Building and grounds	257	377	487
Amortization:			
Capital equipment - internally funded	1,209	1,457	963
Capital equipment - externally funded	4,506	4,640	4,253
Facilities and improvements	4,474	5,070	4,442
	119,024	125,451	109,556
Less amount reported in ancillary operations (note 16):			
Cost of sales	(3,074)	(3,333)	(3,203)
Amortization:			
Facilities and improvements	(189)	(189)	(189)
Capital equipment	(34)	(34)	(34)
	$ 115,727	$ 121,895	$ 106,130

ALBERTA CANCER BOARD

SCHEDULE 2 - SALARIES, BENEFITS, ALLOWANCES AND SEVERANCE

YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	2000							1999			
	Number of individuals (1)	Salaries and honoraria (2)	Benefits and allowances (3)	Subtotal	Severance Number of individuals	Severance Amount	Total	Number of individuals (1)	Salaries, Honoraria and Benefits (2)	Severance amount	Total
Board members:											
Chairperson:											
Mr. Marvin Moore		$	$	$	$	$	$	1	$ 7	$	$ 7
Gary Campbell	1	30		30			30	1	9		9
Members:											
Derril Stephenson	1	6		6			6	1	4		4
Dr. Leslie M. Dushinski								1	2		2
Mary-Lou Robertson	1	5		5			5	1	6		6
Beverly Feldman								1	0		0
William Heald	1	5		5			5	1	3		3
Dr. Dorothy Zolf-McDonald								1	1		1
Elizabeth Hall Petry	1	10		10			10	1	9		9
Patricia Jones	1	6		6			6	1	3		3
Janet Watkinson								1	0		0
Katherine Heller	1	10		10			10	1	6		6
Margaret Hoogland	1	7		7			7	1	4		4
Henry Potts								1	3		3
Fred Dibben	1	5		5			5				
Bronwyn Shouch	1	1		1			1				
Total honoraria	10	85		85			85	14	57		57
Staff:											
Chief Executive Officer	1	243	11	254			254	1	218	11	229
Management person(s) reporting to the CEO:											
Vice president	1	106	6	112			112	1	101	11	112
Finance director	1	84	10	94			94	1	79	10	89
Human resources director	1	83	9	92			92	1	78	9	87
Information systems director	1	82	9	91			91	1	87	9	96
Other management person(s) reporting to those above (avg. 2000 $59, avg. 1999 $54) (excluding severance)	186	9,882	1,048	10,930	2	18	10,948	163	7,890	961	8,851
Medical doctors not included above (avg. 2000 $185, avg. 1999 $181) (excluding severance)	59	10,645	140	10,785	1	151		55	9,799	154	9,953
Regulated nurses not included above (avg. 2000 $56, avg. 1999 $51) (excluding severance)	78	3,865	516	4,381				83	3,753	507	4,260
Other health technical and professionals (avg. 2000 $57, avg. 1999 $56) (excluding severance)	215	10,785	1,384	12,169	1	26		208	10,358	1,386	11,744
Other staff (avg. 2000 $42, avg. 1999 $41) (excluding severance)	531	19,736	2,543	22,279	1	3		484	17,540	2,300	19,840
Pension obligation adjustment		(978)		(978)					(59)		(59)
Total	1,084	$ 54,618	$ 5,676	$ 60,294	5	$ 198	$ 60,492	1,012	$ 49,901	$ 5,358	$ 55,259

ALBERTA CANCER BOARD

SCHEDULE 2 - SALARIES, BENEFITS, ALLOWANCES AND SEVERANCE, CONTINUED

MARCH 31, 2000

(thousands of dollars)

(a) Number of individuals consists of full time equivalents except for Board members.

Full time equivalent has been determined as 2,022.75 hours per employee.

(b) Salary includes regular base pay, bonuses, overtime, lump sum payments, honoraria and any other remuneration.

(c) Benefits and allowances includes contributions or payments made on behalf of employees including pensions, health care, dental coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short disability plans.

(d) Severance includes all monies paid directly or on behalf of an employee upon termination which are not or have not been included in salaries and benefits.

(e) The Chief Executive Officer is provided with an automobile, no dollar amount is included under benefits and allowances.

ALBERTA CANCER BOARD

SCHEDULE 3 - SUMMARY OF REVENUES AND EXPENSES

YEAR ENDED MARCH 31, 2000

(thousands of dollars)

	Actual		
	2000	1999	1998
		(As restated, note 25)	
Revenues:			
Alberta Health contributions	$ 88,774	$ 80,660	$ 74,656
Other government contributions	443	429	467
Fees and charges	2,243	2,935	3,014
Ancillary operations, net	157	137	163
Donations	1,337	1,138	228
Investment and other income	16,132	12,652	9,849
Amortization of external capital contributions	9,515	8,500	8,587
	118,601	106,451	96,964
Expenses:			
Facility based inpatient acute care services	10,525	8,777	7,061
Facility based emergency and outpatient services	26,103	21,143	18,215
Community and home based services	9,994	9,057	7,245
Diagnostic and therapeutic services	29,960	27,249	25,224
Promotion, prevention and protection services	5,136	5,208	4,897
Research and education	14,707	13,010	11,232
Administration	3,948	3,609	3,509
Information technology and wellnet	2,696	1,325	1,035
Year 2000 remedial costs	880	322	-
Support services	13,065	12,177	11,441
Amortization of facilities and improvements	4,881	4,253	4,343
	121,895	106,130	94,202
Excess (deficiency) of revenues over expenses	$ (3,294)	$ 321	$ 2,762

Index of All Government Entities

Entities included in the consolidated government reporting entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Agricultural Research Institute	Innovation and Science
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Resource Development
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Treasury
Alberta Heritage Foundation for Medical Research Endowment Fund	Treasury
Alberta Heritage Savings Trust Fund	Treasury
Alberta Heritage Scholarship Fund	Treasury
Alberta Historical Resources Foundation, The	Community Development
Alberta Informatics Circle of Research Excellence Inc.	Innovation and Science
Alberta Insurance Council	Treasury
Alberta Municipal Financing Corporation	Treasury
Alberta Oil Sands Technology and Research Authority	Innovation and Science
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Treasury
Alberta Petroleum Marketing Commission	Resource Development
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Treasury
Alberta School Foundation Fund	Learning
Alberta Science, Research and Technology Authority	Innovation and Science
Alberta Securities Commission	Treasury
Alberta Social Housing Corporation	Community Development
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Treasury
ATB Investment Services Inc.	Treasury
Awasak Child and Family Services Authority	Children's Services
Calgary Rocky View Child and Family Services Authority	Children's Services
Child and Family Services Authority — Region 13	Children's Services
Child and Family Services Authority — Region 14	Children's Services
Credit Union Deposit Guarantee Corporation	Treasury
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Environment	Environment
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Justice	Justice
Department of Learning	Learning
Department of Resource Development	Resource Development
Department of Treasury	Treasury
Diamond Willow Child and Family Services Authority	Children's Services
Environmental Protection and Enhancement Fund	Environment
Gainers Inc.	Treasury

Ministry, Department, Fund or Agency	**Ministry Annual Report**
Government House Foundation, The	Community Development
Hearthstone Child and Family Services Authority	Children's Services
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
Keystone Child and Family Services Authority	Children's Services
Lottery Fund	Gaming
Ma'Mowe Capital Region Child and Family Services Authority	Children's Services
Metis Settlements Child and Family Services Authority	Children's Services
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Environment	Environment
Ministry of Executive Council[1]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Resource Development	Resource Development
Ministry of Treasury	Treasury
N.A. Properties (1994) Ltd.	Treasury
Natural Resources Conservation Board	Environment
Neegan Awas'sak Child and Family Services Authority	Children's Services
Persons with Developmental Disabilities Calgary Region Community Board	Health and Wellness
Persons with Developmental Disabilities Central Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Edmonton Community Board	Health and Wellness
Persons with Developmental Disabilities Foundation	Health and Wellness
Persons with Developmental Disabilities Michener Centre Facility Board	Health and Wellness
Persons with Developmental Disabilities Northeast Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Northwest Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Provincial Board	Health and Wellness
Persons with Developmental Disabilities South Alberta Community Board	Health and Wellness
Ribstone Child and Family Services Authority	Children's Services
S C Financial Ltd.	Treasury
Sakaigun Asky Child and Family Services Authority	Children's Services
Sakaw Askiy Child and Family Services Authority	Children's Services
Silver Birch Child and Family Services Authority	Children's Services
Southeast Alberta Child and Family Services Authority	Children's Services
Sun Country Child and Family Services Authority	Children's Services
Supplementary Retirement Plan Reserve Fund	Treasury
Victims of Crime Fund	Justice
West Yellowhead Child and Family Services Authority	Children's Services
Wild Rose Foundation, The	Community Development
Windsong Child and Family Services Authority	Children's Services

[1] Ministry includes only the department so separate department financial statements are not necessary.

Entities NOT included in the consolidated government reporting entity

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts Trust Account	Municipal Affairs
Local Authorities Pension Plan	Treasury
Long-Term Disability Income Continuance Plan -Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan -Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Treasury
Provincial Judges and Masters in Chambers Pension Plan	Treasury
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Treasury
Public Service Pension Plan	Treasury
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Treasury
Universities Academic Pension Plan	Treasury
Workers' Compensation Board	Human Resources and Employment